FINANCIAL TIMES

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High-tech exports row splits Washington, Page 18

NEWS SUMMARY

GENERAL

Israel to hold early elections

The Israeli Knesset voted 68 to 61 last night to dissolve itself and hold early elections, but it was uncertain when these would take place.

Five members of the ruling coalition voted with the opposition Labour party to defeat the right-wing Government headed by Mr Yitzhak *Shamir. The Likud bloc, which has* ruled for seven years, fought to gain more time before the elections to try to win back public support.

Moscow hints at missile talks

The Soviet Union has hinted that it may be prepared to return to the Euromissile talks in Geneva if Nato agrees to freeze the deployment of U.S. cruise and Pershing missiles in Europe at its present level. Page 20

Howe to visit Peking

British Foreign Secretary Sir Geoffrey Howe is to visit Peking and Hong Kong in mid-April to advance negotiations over Hong Kong's future. Page 20

Troops go home

British troops who have been on board the royal fleet auxiliary Reliant off the Lebanese coast since being withdrawn from Beirut, are to return to England. Move to end ceasefire violations, Page 3.

Botswana talks

South Africa and Botswana said progress had been made in high-level talks, but Botswana stressed they had nothing to do with the possibility of signing a non-aggression pact. Page 3

Minesweeper defence

Nicaragua is to buy minesweepers to protect its ports after three foreign ships have been damaged by mines placed at the entrances to its main ports. Page 4

Alfonsin warned

Argentina's main trade union organisation, the General Confederation of Labour, criticised President Raoul Alfonsin's economic policies and warned the country was on the brink of a major social crisis. Page 4

Cuba frees U.S. yacht

One of two U.S. yachts detained by Cuban gunboats because they got *too close to the shore during a race* from Miami to Montego Bay was released.

Blockade lifted

French truck drivers began lifting *their four-day-old blockade of* the Spanish border after assurances of protection from protesting Spanish fishermen Page 2

Gas leak scare

More than 300 people were evacuated from the village of Ebenhausen, *north of Munich, after natural gas* leaked into the community's sewer system.

Cuban refugees held

Five Cuban refugees who have spent *eight days* flying between Kingston, Jamaica, and London were being held by British immigration while a search was made for a country which would take them.

Awards for FT

Philip Bassett, FT labour correspondent, was named reporter of the year in the British Press Awards for 1983. Six other FT writers also received mention. Page 12

BUSINESS

U.S. to end steel pact with Brazil

THE U.S. Commerce Department said it is to publish notices of intent to end two agreements which allow Brazil to impose taxes on steel exports instead of the U.S. imposing countervailing duties on imports. Page 20

WALL STREET: Dow Jones industrial average closed 14.97 down at 1155.88. Report, Page 27; full share listings, Pages 28-31.

U.S. BOND prices closed slightly higher yesterday despite a larger than expected $4bn increase in M-1, the basic U.S. money supply measure, which grew to $536.1bn in the week ended March 12 from $532.1bn the previous week. Market report, Page 27

GOLD fell $2.5 to $389.75 in London. In Frankfurt it was down $3 to $389.5 and in Zurich it also slipped $3, to $389.25. In New York the Comex March settlement was $389.7 ($393). Page 36

DOLLAR closed down in London at DM 2.6345 (DM 2.6475), SwFr 2.1725 (SwFr 2.176), FFr 8.11 (FFr 8.1525) and Y226.25 (Y228.75). Its Bank of England trade-weighted index was 127.6 (127.7). In New York it closed at DM 2.643, SwFr 2.181, FFr 8.132 and Y266.7. Page 37.

STERLING closed up 10 points at $1.431 but was down at DM 3.7725 (DM 3.7875), SwFr 3.1125 (SwFr 3.115), FFr 11.605 (FFr 11.655) and Y324 (Y324.5). Its trade-weighted index was 80.3 (80.5). It closed in New York at $1.429. Page 37

TOKYO: Nikkei Dow index gained 41.93 to 10,455.81. The Stock Exchange index put on 3.93 to 820.88. Report, Page 27; leading share prices, other exchanges, Page 30.

LONDON: FT Industrial index lost 11.4 to 890. Securities showed little change. Report, Page 31; FT Share Information Service, Pages 32-33.

COPPER closed down in the London Metal Exchange at £1,073.75 a tonne. Tin prices eased £25 to close at £8,517.5 a tonne. Page 36

BANQUE INDOSUEZ of France and Kogalandsbanken, a medium-size Norwegian bank, are to set up a joint subsidiary in Norway.

VEBA, *diversified energy group* and West Germany's largest industrial group, reported a net rise in profits last year to DM 372m ($140m) from DM 339m. Page 21

BASF, West German chemical group, announced worldwide pre-tax profits up 66 per cent to DM 1.68bn ($635m). Page 21

DEUTSCHE BABCOCK, power sta*tion and engineering group, showed* a turnround to profit with after-tax earnings of DM 24m ($9.19m) after losses of DM 437.4m the previous year. Page 21

SWEDEN *is going ahead with plans for the partial privatisation of state-*owned PKbanken, one of its largest *commercial banks.* Page 21

WOOLWORTH HOLDINGS report*ed group pre-tax profits for the year* sharply up at £29.4m ($42m) com*pared with £8.1m.* Page 24

ZIMBABWE'S inflation rate increased to 19.6 per cent in 1983, the highest for 25 years.

JAPAN is set to offer China a $2bn loan package when Premier Yasuhiro Nakasone arrives in Peking today.

SWISS authorities seized almost SwFr 990,000 ($450,000) belonging to Banco de la Nacion of Peru, in connection with Banco Ambrosiano.

INDIA said it was ready to resume talks as the national dockers strike began its second week.

PALM OIL futures trading resumed under stringent rules on the Kuala Lumpur *Commodity Exchange* after a week's suspension. Page 36

France attempts to prevent total EEC deadlock

BY JOHN WYLES IN BRUSSELS

France called EEC foreign ministers yesterday to a meeting in Brussels next Tuesday in an attempt to prevent the Community from plunging into deadlock after this week's summit failure.

Although Paris has carefully avoided saying so, the European Commission and the British Government expect that one purpose is to try again to settle the British budget problem.

That will not be confirmed, however, *until intense activity behind* the scenes convinces other govern*ments that the UK is prepared to* moderate the final position adopted by Mrs Margaret Thatcher, the British Prime Minister, on Tuesday

That means that Sir Geoffrey Howe, Britain's Foreign Secretary, who was due to accompany the Queen on a visit to Jordan next week, will have to agree in advance to consider a smaller reduction in the UK's payments to the EEC budget than the Ecu 1.25bn ($1.05bn) demanded by Mrs Thatcher.

She wanted that as a cut in the UK's payments in 1985 and as the *starting point for a system to relate* Britain's payments to its gross do*mestic product from 1986 onwards.* The Prime Minister also said she was ready to accept an Ecu 1bn cut in Britain's 1984 contributions, which are expected to amount to Ecu 2bn.

The fact that the British Government drew back yesterday from any decision on withholding part of its payments to the EEC budget was regarded as helpful by EEC officials. With the political outlook so uncertain and relations between Britain and its partners so strained, withholding might have prejudiced *any prospects of success that next* week's meeting might have.

A French spokesman in Paris said yesterday that the starting point for any *fresh negotiation* would be the Ecu 1bn-a-year reduc*tion for five years proposed towards* the end of the summit "on behalf of the Nine" by Chancellor Helmut Kohl of West Germany.

France's *stated* purpose for next Tuesday's meeting is to set a proce*dure for pushing ahead in* the policy areas which were agreed in principle by the summit. That would mean abandoning the idea of an agreement covering agricultural and budgetary reforms, which until now have been the operating principle.

The indications are that France expects opposition from the UK to such a move, although London appears to be quite relaxed about allowing the agriculture ministers to take final decisions next Monday and Tuesday on price cuts and production curbs.

Opposition here may come from *Italy and Greece, whose* representatives were indicating yesterday that *they would oppose* the farm agreements unless the summit package was adopted as a whole. This would include a settlement of the British budget problem and the raising of the 1 per cent ceiling on EEC budget revenues to 1.4 per cent in 1986 and 1.6 per cent in 1988.

If maintained, the Italian position means that France, as chairman of the Council of Ministers, would be unable to push through the agricultural decisions by majority vote because the majority would not be there.

Ireland poses a separate obstacle to agreement, with its demand for exemption from the production quota system on milk. However, even if majority voting were in use, it was thought yesterday that few govern-

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UK delays decision on blocking payments

By Margaret van Hattem in London

THE UK Government has postponed discussions on whether to *start withholding payments from* the EEC budget, in the hope that next week's meeting of Community foreign ministers may yet avert a crisis.

Mrs Margaret Thatcher, the British Prime Minister, yesterday welcomed the initiative taken by France, which holds the EEC Council presidency, in summoning the emergency meeting next Tuesday, *and promised that Britain would do* nothing to jeopardise its chances of *progress.*

She warned, however, that Brit*ain's objectives* remained unchanged, and announced that the *Government would, in the mean*time, shelve its plans to introduce legislation next week enabling advance payments of Britain's £100m ($143m) April contribution to the EEC budget.

Mrs Thatcher's Cabinet had been prepared at its meeting yesterday to begin discussing the options for retaliatory action against other EEC countries following the breakdown of talks in Brussels on Tuesday night. These included plans for paying British contributions into a special reserve fund, thus blocking them pending payment of rebates due to the UK.

News of the French initiative came before the meeting started at

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German bid to veto tobacco groups' deal

BY CHARLES BATCHELOR IN LONDON AND IVO DAWNAY IN BRUSSELS

THE WEST GERMAN Cartel Office intends to veto a plan for Philip *Morris, the Marlboro cigarette* group, to take a large minority *stake in Rothmans International* despite the European Commission's decision to withdraw its objections.

The Commission's decision has also run into opposition from three other tobacco companies, BAT Industries of the UK, R.J. Reynolds of the U.S. and the West German cigarette market leader Reemtsma. They plan to appeal to the European Court against the Commission ruling.

The Commission announced yesterday that it had reached agreement with Philip Morris, the world's second largest tobacco company, after more than six months of talks.

The deal which has been agreed has wrung significant concessions from Philip Morris, which first announced its plan to take indirectly a 15 per cent voting stake in Rothmans for $350m from the South African Rembrandt tobacco group in April 1981.

The deal has now been restructured to give a Philip Morris 24.9 *per cent* in Rothman's voting shares while Rembrandt will have 44 per cent of the voting rights. Both companies will hold 30.8 per cent of the equity.

The West German Cartel Office is concerned about the monopoly implications for its national cigarette *market where Martin Brinkman,* part of Rothmans International, has about 17 per cent of the market and Philip Morris's local operation has 14 per cent.

The Cartel Office said yesterday: "Philip Morris came to us unofficially with their alternative model and we told them two weeks ago that the shareholdings should be reduced even further. It is now up to them to us with an official request for registration. We will turn that *down and expect them to appeal to* the Berlin district court."

Philip Morris's EEC office in Lausanne said: "We intend to continue our discussions with the Cartel Office. Our legal advice is very conclusive that the new arrangement is totally proper under German legislation. We believe the Cartel Office will eventually be convinced of this as well."

Philip Morris and Rothmans have agreed to the European Com*mission's requirements* that there will be no commercial agreements between the two companies; that Philip Morris will not increase its voting holding above 25 per cent and that there will be no joint directorships or other reciprocal executive positions in subsidiaries active in the EEC.

Lex, Page 20

Arabs seek stake in Porsche

BY JOHN DAVIES IN FRANKFURT

*A GROUP of Arab and European in*vestors is seeking to gain a minority stake in Porsche, the West German sports car company, despite some opposition within the circle of family shareholders.

Banks representing the investors are understood to have signed a contract to buy a 9.5 per cent stake from one member of the family, Frau Louise Piech, for nearly DM 100m ($37.8m), but other shareholders could block them by exercising an option giving them first *right* of purchase.

The banks have sought to allay family fears by offering to convert the shares into non-voting preference shares, with the purchase price being reduced to about DM 86m.

In addition, they have offered to take up to a holding of 19 per cent *in the form of non-voting* preference shares. This would enable family members to pay off finance raised to thwart a similar attempt by outsiders to buy into Porsche several months ago.

Porsche, which made a net profit of DM 69.6m on sales of DM 2bn in the last financial year, is in the hands of 10 members of the related Porsche and Piech families.

An eleventh member, Herr Ernst Piech, caused a stir late last year when he agreed *to sell his* 9.5 per cent stake to outsiders. Other family *members intervened quickly* by exercising their purchase option.

Now another member of the Piech family, Louise – a granddaughter of the company founder – is understood to have agreed to sell a 9.5 per cent holding to interests represented by Richard Daus, the *Frankfurt private* bank, and Al-Mal International, the London merchant bank.

Richard Daus is an old-established bank now controlled by the Arab Banking Corporation, in which a number of Arab governments, including Kuwait, Libya and the United Arab Emirates, have a stake.

Al-Mal International, formed in 1980, has five shareholders, including prominent Arab financiers.

The banks have indicated they are acting on behalf of a syndicate of private investors, about 20 per cent of whom are from Kuwait and Saudi Arabia. The other investors *are from West Germany, Switzer*land and London.

Although a contract for purchase of shares is understood to have been signed in about mid-February, the Porsche and Piech families *have 12 weeks from then to exer*cise the right of a pre-emptive purchase.

One possible means of thwarting the purchase would be for family shareholders to offer part of their own holdings – perhaps 20 per cent – to other selected investors as non-voting preference shares. This would raise the necessary cash to block the present deal.

There has long been speculation that Porsche would raise capital for future expansion by a placement of shares on a West German stock exchange, but *this* could be a time-consuming procedure.

The Porsche and Piech families are not actively involved in day-to-day management of the company, but are represented on the supervisory board, which must approve strategic decisions.

New York may alter tax rules for banks

BY PAUL TAYLOR IN NEW YORK

NEW YORK CITY has proposed a sweeping revision of its bank taxation rules as part of an attempt to keep banks in the city while also maintaining city revenues.

The plan, if approved by city and state legislatures, would reduce basic tax rates for banks while altering the formula used to calculate taxes to make it more difficult for New York banks to escape city taxation. *As a result,* the city's *tax* revenues from banks would remain *about the same but the tax burden* would be re-distributed.

The major New York City banks have long complained about New York's relatively high tax rates and have argued that the current tax structure is one of the reasons why many of the major banks – includ*ing Citicorp, Morgan Guaranty* and Manufacturers Hanover – have established commercial banking operations elsewhere, particularly in Delaware.

Under the proposal, which has been forwarded to Mr Mario Cuomo, the New York state Governor, the basic New York City tax rate for banks would be reduced to 9 per cent from 13.8 per cent.

Such a move would go some way to redressing the balance between *New York and states such as Dela*ware, where the basic bank tax rate *ranges from 8.7 per cent to 2.7 per* cent, declining as local revenues increase.

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The Fed steers clear of boom and bust, Page 4

British bank and stockbroker link with Société Générale

BY DAVID LASCELLES, BANKING CORRESPONDENT, IN LONDON

HAMBROS, the UK merchant banking group, and Strauss Turnbull, the UK stockbroking firm, are to set up a joint international dealing business with Société Générale, the French Government-owned bank.

Hambros has also announced it will take a 29.9 per cent stake in *Strauss, in the latest of the banker-*broker links which are reshaping the City of London.

At the same time, it was revealed yesterday that Groupe Bruxelles Lambert, the Belgian banking group, is negotiating for a stake in Henry Ansbacher Holdings, the London-based international financial services group.

Hambros is one of the oldest established *UK* merchant banks. *It* sees the two deals as strengthening *its presence* in the securities business, where it believes the best growth prospects lie.

Mr Rupert Hambro, the chairman of Hambros Bank, said yesterday he did not expect banking to recover its former profitability because of intense competition.

The moves also reflect Hambros' efforts to find a new and more profitable role as it recovers from a period of severe shipping and energy loan losses.

Strauss Turnbull, a private partnership, is a medium-sized stockbroker best known for its dealings in the Eurobond market and its expertise in mining shares. It already *has a joint Eurobond venture with* Société Générale, formed in 1980.

The international dealing company to be set up by the three partners will be capitalised at £10m and will specialise initially in gold shares and Pacific markets. Under London Stock Exchange rules non-members may own more than the maximum 29.9 per cent of broking ventures dealing exclusively in for*eign securities.*

Groupe Bruxelles Lambert is proposing to buy newly issued shares in the Ansbacher group, which will result in its holding a minority interest. An announcement yesterday said this would be "substantial." The Belgian bank would pay 100p a share.

Groupe Bruxelles Lambert already has an interest in the international merchant banking business through its major shareholder, Pargesa Holding of Switzerland, which has a stake in Drexel Burnham Lambert, the Wall Street firm.

Henry Ansbacher is a small merchant bank with a balance sheet of £145m and interests in trust management, insurance broking, shop*broking, and metal broking. It lost* £1.3m last year on an investment in Iris, the failed U.S. computer-based information system, but has recently regrouped its U.S. business into a new subsidiary and plans major expansion there.

The deal with Strauss Turnbull marks another step in Hambro's painful road back from the financial wilderness where it lost its way *in the 1970s.*

Rocked by severe losses on ship*ping loans, oil and gas exploration* and dogged by an assortment of unhappy diversification efforts, Hambros was only able to stay in the black a couple of years ago by selling off a big chunk of its holding in Hambro Life, the high-flying financial services group headed by Mr Mark Weinberg.

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EUROPEAN NEWS

Leslie Colitt in Berlin explains how a politician visited, a loan was negotiated . . .

And the Wall started tumbling down

JOVIAL West German captains of industry clinked champagne glasses with beaming East German Kombinat Directors. Commercial bankers traded jokes with state bankers and officials from both sides vied in exchanging pleasantries.

The scene was a reception in Leipzig held by West Germany's permanent representative to East Germany, Herr Hans Otto Bräutigam, for Count Otto Lambsdorff, the visiting West German Economics Minister.

Ten years ago, when the permanent mission held its first reception in East Berlin after East and West Germany established relations, the atmosphere was charged with mistrust. Now both sides are basking in the warmest relationship they have had since 1949.

East Germany's leader, Herr Erich Honecker, is preparing to visit West Germany later this year and will go to his birthplace, the Saarland, whose people have promised a warm welcome for their returning son.

This flowering of East-West German relations is taking place amid one of the largest outflows of East Germans to the West since the Berlin Wall was built in 1961. A few streets from the reception, a family of four was packing its belongings after waiting five years for an exit permit. The next morning the family joined nearly 500 other East Germans departing for West Germany.

Most of the East Germans now being issued exit permits are not rejoining families in the West. They have applied to leave as malcontents and because of the lure of a more prosperous life in the West. Some are being let out after serving one third of prison terms for attempted escape, others after publicly demonstrating in favour of U.S. and Soviet missiles on German soil to be scrapped.

The Inner German Affairs Ministry in Bonn said some 40,000 East Germans have applied for exit permits. From January to mid March, 6,000 East Germans were given permits, as many as in all of last year. Although West Germany is "compensating" East Germany for the free higher education or apprenticeship given to each departing adult, this is not why they are being allowed out.

Those East Germans who have applied to leave are a dissatisfied segment of the population which the East German leadership has no hope of winning over. "There are some people who will never come to terms with socialism," one East German official said with unaccustomed candour.

By ridding itself of this element the Government believes it is relieving internal pressures for political change. The tactic, however, is a risky one. The present exodus may well inspire others to try to leave.

A teacher in Leipzig who is otherwise critical of the Government said most of the departing East Germans are "filled with illusions." Taken in, she said, by watching shows like Dallas on West German television and by West German visitors driving their gleaming new cars in East Germany.

Many East Germans say that only if they are permitted to travel to the West will they cease to be faced with the stark alternative of either applying for exit permits or of being unable to visit the West until they are pensioners.

East Germans are being allowed to go to the West in the largest numbers since the Berlin Wall was built in 1961. But the move is building high expectations and sowing confusion among those left behind.

Significantly, East Germany is letting out its disaffected people while a Christian Democrat (CDU) government is in power in Bonn. The conservatives have taken over their Social Democratic predecessor's doctrine of Ostpolitic as if it were a CDU invention.

The East German leadership, for its part, has discovered it is sometimes easier to deal with the "upper bourgeoise" CDU than with Communism's arch rival, social democracy.

Chancellor Helmut Kohl's chief aide responsible for relations with East Germany, Dr Philipp Jenninger, recently assured East Germany it was not Bonn's goal to drain the country of its people. He repeatedly warned East Germans against seeking refuge in Western embassies in Eastern Europe, as a growing number have done, to gain passage to the West.

Similar incidents in the past have led an unnerved East German leadership immediately to revert to a tough policy toward Bonn. But Herr Honecker appears determined to stick to his present course. One convincing reason is that it dovetails with Moscow's strategy of wooing West Germany with peaceful approaches and commercial ties.

Herr Honecker, however, has another powerful incentive to improve relations with West Germany. His economics chief, Herr Gunter Mittag, is convinced that East Germany can only succeed in modernising its ageing industrial plant with the help of West Germany. The agreement between East Germany and Volkswagen, a company largely owned by state and federal governments, to produce VW engine blocks in the East is seen by West Germany's Economics Minister as a harbinger of co-operation to come.

East German leaders believe they have already obtained one trump card in establishing this new relationship: the remarkable political conversion of Herr Franz-Josef Strauss, Bavaria's Prime Minister and head of the CDU's ultra-conservative wing.

Herr Strauss's spectacular meeting with Herr Honecker last year, after arranging a DM 1bn (£1.2bn) West German bank loan to East Germany, moved the East to start letting out its discontented citizens and to begin dismantling the automatic weapons along the border.

East Germany is now trying to convince a thoroughly confused population that Herr Strauss is proof that even the most rabid anti-Communists must eventually come to terms with "existing socialism." Most East Germans however are instead now hoping that the warming climate between Bonn and East Berlin may result in other improvements for them, including travel to the West.

The duration of the East-West German honeymoon will, to a large degree, depend on the East German leadership's ability to cope with this rising tide of expectation.

How Heinz got a chance to visit the city of his birth

BY JAMES BUCHAN IN BONN

HERR HEINZ MICHAEL wants to do three things now he is in the West. The first is to find his father, a former interpreter with the U.S. occupation forces, if he is alive and the second is to visit Munich, the town in which he was born in 1948.

Dresden, where his mother took him after his father returned to the U.S., "where nobody has a clue about anything," which does not even get West German television, he has put behind him.

The third thing, to find a job in a country with 2.5m unemployed, can wait a little. Like the other East German emigrants at the Giessen Emergency Reception Camp, he is a little anxious and disoriented. But he has two diplomas (chemical engineering and electronics), which he hopes will be recognised, and so does his wife (type-setting and secretarial) and anyway he lost his job in Dresden 18 months ago when he applied to leave.

The camp, squashed into a site between the railway and an industrial estate, can usually take 400 people for the two to three days needed to complete formalities. With the help of camp beds and extra staff, it can now hold 650 to meet the greatest shift of population between the two Germanies since the building of the Berlin Wall in 1961.

The surprise is the number of children, playing by the monument to the fallen of the East Berlin uprising in 1953, or sleeping, pale with exhaustion or fever, in the camp clinic.

Their parents sit neatly on red benches in the sunshine, waiting for the next interview with the social security office or the counter-intelligence service. Arriving at Giessen without a pfennig, they have DM 15 (£3.95) pocket money (DM 10 for dependants) and are already entitled to dole payments. Bonn recognises only one citizenship for Germans, its own.

The wave of emigration began in December with about 1,000 passing through Giessen that month but eased off a little in January. On February 18, without warning, 166 people arrived by train or drove their bursting Ladas and Wartburgs through the gate. "We said, my God, we'll never manage," said Frau Inge Wegricht on behalf of the camp administration. "No we wish it was only 100."

Last Friday, 427 people arrived, on Saturday 183, 43 on Sunday, before rising into the hundreds again on Monday. Frau Ingrid Berg, the niece of the East German Prime Minister, passed through Giessen on Tuesday.

A sculptor, a student, a theologian, all say they could not live with the professional hierarchy in the East—Catholic church or artists' union—but their political protest seems confined to applying to leave. Those emigrants arriving "through the special efforts of the Federal Government" (prisoners whose freedom is bought by Bonn), are swamped into insignificance by the legal emigrants.

Why, after two, three years of waiting, were they suddenly told to pack and leave? "Strauss," say some, meaning the DM 1bn credit for East Berlin arranged by the Bavarian Premier. Others mention the visit to West Germany planned by Herr Erich Honecker, the East German leader. ("You're the last, Erich, turn off the light," is one of many jokes.)

"It is unlikely that East Germany is shifting its labour problems here," says Frau Wegricht. "These are mostly educated people, skilled craftsmen, economically valuable."

The only legal ground for emigration is the "reunification of families," but the Michaels have no relations in the Federal Republic. Astoundingly, the East German authorities accepted a friend near Vienna as "family." Unfortunately for Heinz Michael, the train from Vienna to Giessen passed through Nuremburg not Munich.

UK urges greater airline competition

By Paul Cheeseright in Brussels

THE BRITISH Government yesterday demanded rapid discussion by transport ministers of a Commission proposal to encourage greater competition between national airlines.

But, in the first national comment on the proposal, Mr David Mitchell, Parliamentary Under-Secretary for Transport, said: "It does not go as far as we would like." Mr Mitchell, speaking at a transport ministers Council in Brussels will raise the matter when the ministers hold an informal meeting in Paris on April 2.

The Commission was put forward a package of measures designed to make competition easier by replacing fixed fares with fare zones, by setting conditions for the use of subsidies and by bringing airlines into the ambit of the EEC competition regulations.

London has been in touch with other national capitals about a more liberal regime for air transport in the Community. But Mr Mitchell conceded that a series of personal talks with his counterparts had not met with more than a "degree of softening of attitudes, which were very protectionist."

At the council meeting itself no decisions were taken, in line with a notorious tradition. "It was a classic Transport Council," said a Commission official.

However, in the wake of the lorry blockades in France and Italy last month, France, Italy, Luxembourg and Greece dropped earlier insistence on delay in bringing into operation by next January 1 a directive to keep open customs posts for at least 10 hours a day from Monday to Friday.

France will apply the directive in its entirety. Italy will apply it to the customs posts at Mont Blanc, Brenner and Tarvisio.

Chairman named for Swedish employers' body

By David Brown in Stockholm

THE SWEDISH Employers Federation (SAF) has chosen a new chairman, Mr Claes Erik Winberg, the tough and sometimes controversial managing director of the Bofors armaments group, to replace retiring Mr Curt Nicolin.

Mr Winberg, 58, will take over the central wage negotiating body for Swedish employers in May. SAF has become increasingly active politically in recent years, especially in its strong opposition to wage-earner funds—union-held corporate shareholdings to be financed by profits under a controversial new Social Democrat law.

The employers, who for the past 30 years have negotiated wage settlements directly with their counterpart, the LO trades union confederation, are attempting against strong labour opposition to bring wages more closely in line with corporate profits under this year's new decentralised bargaining system.

Mr Winberg is known as a tough and canny negotiator. As president of Bofors his statements ("higher weapon sales lead to world stability and security") have been known to provoke controversy in neutral Sweden.

Other candidates mentioned for the SAF post included Mr Pehr Gyllenhammer, chairman of Volvo, and Mr Lennart Johansson, the SKF chief.

Swiss economy improves

The Swiss economy performed better during 1983 than had been foreseen by earlier government estimates, thanks to a recovery in the final months, writes John Wicks in Zurich. A minimal decline of 0.1 per cent in GDP compares with the forecast 0.5 per cent. Investment volume was up by 1.7 per cent, Government spending by 1.4 per cent and private consumption by 1.3 per cent.

Exports of goods and services went up by only 0.1 per cent compared to a rise in corresponding imports of as much as 4.4 per cent after price adjustment.

Poland's hard cash problems follow $300m repayment

BY CHRISTOPHER BOBINSKI IN WARSAW

POLAND'S CHRONIC problems with finding hard currency to pay for imports were exacerbated last year by an unexpected repayment of $300m (£208m) of short term credits, according to the weekly newspaper Polityka.

The authors of the article, one of whom is Mr Andrzej Dorosz, a Deputy Foreign Trade Minister, fail to explain the reason for the shift in policy in a year in which Poland repaid $2.2bn worth of debts.

This comprised $1.6bn in interest payments, $300m in capital repayments on long- and medium-term debt, and the unplanned $300m repayment of short-term debt, the article says.

Export earnings were worth $5.4bn last year while imports cost $4.3bn. The resulting $1.1bn trade surplus was boosted by a $400m surplus in invisible earnings.

The unplanned shortage of hard currency last year meant that imports from the West fell 10 per cent below plan, with the cuts heaviest in the grain and food sector.

This in effect put of prospects of a recovery in the national animal herd and has resulted this year in the need to import meat.

At the end of last year Poland's hard currency debt stood at $23.7bn. This excludes the $2.7bn worth of debt owed to Western governments which fell due in 1982 and 1983 and which Poland failed to pay when rescheduling talks were frozen.

French external debt up almost a quarter in 1983

BY DAVID HOUSEGO IN PARIS

FRANCE'S EXTERNAL debt rose by 24 per cent last year to $53.7bn according to figures released yesterday by the Ministry of Economy under its recent policy of providing more details on France's external borrowings.

In French franc terms the increase was far sharper, with foreign indebtedness climbing 54 per cent in 1983 to FFr 451bn. The difference reflects the depreciation of the franc against the dollar as it slipped from a parity of FFr 6.67 at the end of 1982 to FFr 8.40 at the end of last year.

The new figures confirm provisional estimates announced by M Jacques Delors, the Finance Minister, towards the end of last year. They exclude short term borrowing of under one year's duration.

According to the Ministry of Finance, 58 per cent of France's foreign debt is in dollars, 9.7 per cent in D-Marks, 5 per cent in yen and the rest in other currencies.

Borrowing was boosted last year both by the need to strengthen the foreign exchange reserves and by the continuing current account deficit which none the less shrink from FFr 79bn in 1982 to FFr 29bn. On OECD figures, France borrowed $13.3bn last year, including $3.7bn loan raised through the EEC.

The pace of borrowing has slowed down so far this year reflecting the improvement in the current account. But many officials believe that France will still need to raise some $6bn-$7.5bn to cover adverse movements on the capital account. The OECD calculates that France raised $1.1bn in February.

M Delors has set a goal of trying to reduce gross indebtedness by the end of next year or early 1986. But this goal depends on continuing to pursue restrictive policies in the 1985 budget that have not yet been endorsed.

France's net indebtedness—including outstanding loans made by France—rose last year by 142 per cent to FFr 201bn.

Spain's offer of protection ends lorry blockade

BY OUR PARIS CORRESPONDENT

FRENCH LORRY drivers yesterday abandoned their blockade of the Spanish frontier after the Madrid authorities provided them with adequate protection while travelling through Spain.

Convoys of lorries began to cross the border in the morning and tourist traffic moved freely again across the frontier. Some 1,100 French and foreign lorries had blocked the crossing points in protest at the burning in Spain of some 32 French lorries. The vehicles were set ablaze in reprisal for the French navy firing on a Spanish trawler.

Under the new security arrangements, French lorries are to be given police protection on six main routes and six subsidiary ones. Convoys of lorries will leave the frontier every half hour with helicopters providing additional overhead cover. Some 600-700 Spanish police are said to be involved in the operation.

Kyprianou to seek Bonn role in Cyprus peace

BY ANDRIANA IERODIACONOU IN ATHENS

CYPRIOT PRESIDENT Mr Spyros Kyprianou is to ask for West German support in efforts to persuade Mr Raouf Denktash, the Turkish-Cypriot leader, to accept the latest UN compromise peace formula for Cyprus, according to Cypriot Government sources.

Nicosia hopes the West Germans might influence Mr Denktash through Ankara, with which Bonn has close military and economic aid ties, the sources said. Before the start of a two-day official visit to Bonn yesterday Mr Kyprianou said his visit coincided with a critical phase in the Cyprus problem, and that West Germany could play a role in its resolution.

Details of the UN formula were revealed by Mr Denktash in Istanbul earlier this week. He stopped in Turkey for consultation with Mr Kenan Evren, the Turkish President on his return from a March 16 meeting with Sr Javier Perez de Cuellar, the UN Secretary General, in New York.

Mr Denktash said the Secretary General's proposals were "unbalanced" in favour of Greek Cypriots.

Sr de Cuellar's proposals reportedly call on the Kyprianou Government to abandon a policy of time to wrest concessions on Cyprus from Ankara and the Turkish Cypriots through international pressure.

In return, the Turkish Cypriots must undertake to freeze the implementation of last November's decision to declare the Turkish-held north of the island an independent state, as well as the unconditional return of the occupied port city of Famagusta to UN control.

Mr Denktash has said he will formally reply to the Secretary General after consulting with the Turkish-Cypriot community and political parties at home.

● Mr Lazaros Efraimoglou, the president of the Athens Chamber of Commerce and Industry, has warned that the Government's policy price controls on local production is leading to unemployment, reduced productivity and import penetration. He called for a lifting of these controls in favour of a free market economy.

Party leader held as Turkish poll nears

BY DAVID BARCHARD IN ANKARA

THE LEADER of the centre-right True Path Party (TPP), Mr Yildirim Avci, was detained for questioning by police yesterday afternoon for remarks made during the campaign for Sunday's local elections.

Mr Avci, whose party is loyal to Mr Suleyman Demirel, the Conservative Prime Minister deposed in 1980, told a crowd in Manisa on Wednesday that last November's general election had been "one of two black pages in the history of Turkey's democracy."

The TPP was one of 15 parties prevented by the military from running in that election in which only three parties took part.

Six parties are contensting Sunday's poll. Restrictions applied in November—for instance on leaflets and propaganda—have been lifted. The main parties excluded in November have been challenging the Government to hold another general election if the three parties which took part then win less than half the votes on Sunday.

This does not seem very likely at present. The most reliable opinion polls suggest that Turkish voters are prepared to let Prime Minister Turgut Ozal's monetarist experiment run its course. His Motherland Party is expected to win up to 40 per cent of the votes nationally, though it is facing a strong challenge from the Social Democrats in the big cities.

The Social Democracy Party (SDP), barred in November, has now emerged as the main opposition force. It is running well ahead of Mr Necdet Calp's Populist Party, which was set up by the military to function as a centre-left grouping in the new system. The Populists are expected to gain only 9-10 per cent of the votes.

Both the SDP and the TPP have complained of minor harramssment by police and local officials during the campaign. The latter party, however—which seems resigned to a defeat this time around and is playing a much longer-term strategy than the others—has been stressing its links with the banned pre-coup Justice Party with slogans like "the True Path is Justice. You Know Us."

The party sponsored by the military before the general election, the Nationalist Democracy Party (NDP) of General Turgut Sunalp, looks likely to sustain a serious defeat and may not collect 10 per cent of the votes.

If Mr Ozal comes out well ahead of the other parties, he will undoubtedly regard this as a mandate eto press ahead with his economic reforms for the next five years.

The other two parties in Parliament will then probably regroup, the 117 Populist MPs seeking an alliance with the SDP and the 71 NDP members perhaps turning to Mr Avci and Mr Demirel.

● Turkey's GNP grew by 3.3 per cent last year, according to figures from the Institute of Statistics. This compares with 4.4 per cent in 1982

ELECTION PROFILE ● BADEN-WUERTTEMBERG'S PM

Nimble Lothar Spaeth keeps one step ahead of the field

BY OUR BONN STAFF

TO SEE Lothar Spaeth outtalk a noisy drunk at an election rally is to see the southern German populist at play.

The other representatives of this fashionable breed, a Helmut Kohl or a Franz Josef Strauss, have lost a little of their touch with drunks, for one is Chancellor and the other Would-Be-Chancellor and they are statesmen.

Herr Spaeth (46), who is only Christian Democrat prime minister of Baden-Wuerttemberg, is completely at home in his own Land, the most prosperous in the republic.

Short, brisk, easy-going, he grumbles about trade unions with locksmiths, talks football in thick Swabian with a baker, plays unconventional tennis with midde managers and Skat (the workingman's card game) with anyone who will take him on.

Herr Spaeth, who looks certain to be re-elected at the state poll on Sunday, also has ideas.

Take his Bitburg speech last autumn on the environment. Herr Holger Heimann, one of the six Green deputies in the Stuttgart parliament, played a trick on his wife by cutting off the beginning and showing the speech to her. "Very nice, dear," she said.

Spaeth: populist

Herr Winfried Kretschmann, the head of the Green group and another Swabian, begins his campaign speeches with the words: "How Green really is Lothar Spaeth?"

But no sooner had the Bonn conservatives discovered dying trees, than Herr Spaeth had another idea: massive promotion of the state's predominantly small and medium-sized industries to meet the Japanese and U.S. challenges. The state is more dependent on exports per head than Japan!

Count Otto Lambsdorff, the Free Democrat (FDP) Economics Minister in Bonn, has accused him of almost socialist policies which may have something to do with the desire of the Liberals to share power with Herr Spaeth on the Bonn pattern.

Herr Spaeth, who won 53.4 per cent of the vote in 1980, does not want to share power with anybody and has as little time for Liberals complaining about his police policy as for the spokesmen of local peace groups angry about the nine Pershing-2 ballistic missiles in the state.

The FDP should poll respectably in its heartland but the Social Democrats, constantly outflanked by Herr Spaeth and with a rather unknown candidate, will be pressed to better their 1980 32.5 per cent. The Greens will have a little trouble making the 5 per cent necessary to get in.

Herr Kretschmann, one of the party's outstanding figures, made the elementary mistake of opposing demands by a group of Green women for censorship and has been, in his own words, "dismantled." Herr Heimann cannot stand because his local manager forgot to post the application, which has cost the party 25,000 votes.

Herr Spaeth will almost certainly do another term though he seems already to be thinking of Bonn.

Portuguese Democrats wield blunted penknives

BY DIANA SMITH IN LISBON

THE RUGGED city of Braga in northern Portugal will echo this weekend to the fiery speeches of hundreds of delegates to the congress of Portugal's Social Democrat Party (PSD), junior partner in the ruling coalition.

The PSD, record-holder for internal strife in a country where the Machiavellian art of politics often supersedes less amusing administrative work, boasts a host of young, ambitious lawyers prone to perennial impatience with their party leadership.

1984 is no exception. While the coalition firmly steered by Sr Mario Soares assails Portugal's economic woes, young PSD turks have sought to whip up a movement against Sr Carlos Mota Pinto, PSD leader and Deputy Prime Minister.

Sr Marcelo Rebelo de Sousa is goading the chronic dissidents. He is locally known for prodigious contributions to the right-wing press under his own or several assumed names and for his relentless efforts to precipitate the end of the shaky tenure of the former Social Democrat leader Sr Francisco Balsemão.

Sr Rebelo de Sousa makes no secret of his desire for power but has difficulty addressing day-to-day political or economic issues. He and his high-spirited followers have only 6 per cent of the delegates to the congress, to the relief of serious politicians.

Even so, Sr Mota Pinto, a former Independent Prime Minister who rejoined the PSD in 1982, will not have a walkover in his bid to retain the leadership by the end of this weekend's congress. He has another competitor – more sober than Sr Rebelo de Sousa, and supported by some 40 per cent of the delegates – Sr João Bosco Mota Amaral, at present leader of the government of the autonomous region of the Azores.

Sr Mota Amaral, a devout, celibate Roman Catholic who is said to be a member of Opus Dei, has a good track record in the Azores. The weather-beaten islands were kept in a near-primitive state in the long years of dictatorship: since then Sr Mota Amaral has fought for financial benefits through the agreement to allow the United States continued access to Lajes air force base on Teixeira Island.

But his bid for leadership of the PSD – which has undertones of presidential aspirations – has not picked up the expected momentum. Sr Mota Amaral seems to have been turned by events into a runner-up.

There are strong signs meanwhile that the wily Sr Mario Soares, who keeps his Socialist Party on a firm rein, has been jostling key segments of the PSD, extremely discreetly, into unqualified support for Sr Mota Pinto.

It would not suit Sr Soares or Portugal to have the coalition partner switch leadership in midstream with attendant upheavals.

Serious PSD cadres are not enamoured of Sr Mota Pinto, an amiable law professor from Coimbra University who, like many political Portuguese' lawyers speaks lengthily when brevity might help more.

The Soares-led coalition is now in its ninth month with remarkably few inner strains for a Portuguese Cabinet. It has held its own despite the dramatic effects of a severe recession and drop in employment.

It has been helped by a new phenomenon: impoverished workers whose employers have not paid them for months are turning away from communist unions to the Church. Even across the river from Lisbon, where the suffering caused by unpaid salaries is great, the Church and its charitable sidelines have become a dynamic force.

With a weekened Communist Party hard put to rally support for constant strikes called by its tied unions, the Soares Government has been released from the pressure it most feared: a highly motivated Left whose ranks would swell with the unemployed.

Spared from the enemy without, Sr Soares has carefully reinforced his Cabinet's inner defences. So Braga, rather than the night of the long knives feared earlier when the anti-Mota Pinto campaign was first launched, seems more likely to be the weekend of the blunted penknives.

Confidential files survive arson at Unesco

BY OUR PARIS CORRESPONDENT

THE FIRE at the Paris headquarters of the United Nations Educational, Scientific and Cultural Organisation on Wednesday night, destroyed no important or confidential documents, officials said yesterday. U.S. officials also confirmed that none of the personnel or budget documents needed by the General Accounting Office of the U.S. Congress for its investigation into Unesco finances were touched.

The Accounting Office is looking into allegations of misappropriations of funds at Unesco following the U.S. decision to serve notice of its withdrawal from the organisation.

French police confirmed yesterday that the fire had been deliberately started. Crude paper torches were found in some offices and a can of petrol in another.

Initially, there were suspicions that the arson had been linked with attempts to burn incriminating documents. The papers that were burnt were mainly outgoing correspondence and education files.

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S. Africa, Botswana in security negotiations

SOUTH AFRICA and Botswana will consider a proposal covering mutual security drawn up yesterday by ministerial delegations meeting in Cape Town, writes Our Johannesburg Correspondent.

The 14-member South African team was led by Mr Pik Botha, the Minister of Foreign Affairs, while his counterpart, Mr Archie Mogwe, headed the eight-member Botswana delegation.

No details of the proposal were available, but the most sensitive issue is thought to be Botswana's treatment of South African political refugees. The government of President Quett Masire has been prepared to provide sanctuary but has banned political activity and limited the outlawed African National Congress (ANC) of South Africa to a low-key diplomatic presence.

Flights curtailed

THE international arms embargo against South Africa has forced the South African Air Force to end its long-range patrols in the southern Atlantic and Indian oceans, writes Bernard Simon from Johannesburg.

The patrols, mainly for maritime intelligence purposes, have been carried out by ageing Avro Shackleton aircraft, eight of which were bought from Britain in 1956. According to an air force official, only four of the aircraft are still operational but the British Government has refused to allow spares to be supplied for them. The dwindling fleet has been kept airworthy recently by cannabilising parts from grounded aircraft.

In addition, South Africa has been unable to buy suitable alternative aircraft, such as the Lockheed Orion.

Convoy attacked

GUERRILLAS of the Mozambique Resistance Movement (MRM) wounded five Zimbabwean lorry drivers and destroyed 14 trucks, trailers and cargo in an ambush inside Mozambique last weekend, reports Tony Hawkins in Harare. The attack took place some 48 hours after the signing of the South African-Mozambique non-aggression pact which Mozambique says will reduce South African aid for the MRM fighters. The convoy of lorries was ferrying exports from Malawi to the Mozambique port of Beira.

Zimbabwe inflation

ZIMBABWE'S inflation rate increased sharply to 19.6 per cent in 1983—the highest for more than 25 years, writes Tony Hawkins from Harare. Official figures released yesterday show that consumer prices for lower income groups rose more than 23 per cent last year, while those for upper income groups registered a 16 per cent increase, giving an average figure of 19 per cent. The main cause for the higher inflation rate (prices rose 14.5 per cent in 1982) was the decision by the Government to phase out food subsidies for consumers, which necessitated sharp increases in food prices late last year.

Missile disappointment

JORDAN yesterday said it "deeply regrets" the U.S. decision to withdraw its plan to sell advanced Stinger anti-aircraft missiles to the Kingdom, and in Egypt, Mr Donald Rumseld, the U.S. special envoy, was told by President Hosni Mubarak that he too was "disappointed" by the action according to agency reports. Mr Rumsfeld described his talks as "very interesting and helpful."

Jumbo hijacked

A BRITISH AIRWAYS Jumbo jet landed safely in Taiwan yesterday after being hi-jacked while on a flight from Hong Kong to Peking. No injuries were reported among the 338 passengers and 16 crew.

Chris Sherwell visits a Filipino project caught in a logjam of dissent

The perils of alleviating poverty

MAGTAN OSON has twinkling eyes and grey shoulder-length hair, wears beads and scarlet bell-bottomed jeans and lives in riverside squalor in Loreto, in the remote interior of Mindanao, the second largest island in the Philippines.

Know locally as the Dato (chief) he is 100 years old and a key figure among the Manobo people, an indigenous minority in Mindanao. The Manobos are at present considering whether to take part in a planned oil palm plantation in their area, and their decision is eagerly awaited by Mr Timothy Raison, Britain's Overseas Development Minister. The project is an Anglo-Filipino idea which is strongly backed by the Commonwealth Development Corporation. But the radical wing of the local Catholic church is against the idea, and it has a vocal lobby in Britain. The political and economic climate in the Philippines is also not ideal for the project.

Loreto is literally beyond the end of the road in the Philippines. Accessible only by river, it is a six-hour pump-boat ride from the main highway. Both the Manabos and the settlers from outside who have stayed on since arriving to help in the logging industry in the 1950s are in desperate straits.

Food is short after last year's drought and this year's floods, and rats have infested the corn that remains. Emergency rice supplies are being brought in, but malnutrition is rife among children. So is malaria, tuberculosis, bronchitis and waterborne disease.

Average annual income, at a meagre Pesos 3,000 (£150) is less than half the already low national average, and many families are in debt. All are vulnerable to the predatory activities of outsiders — the Philippines military, bandits, Communist rebels, scheming politicians and merchants.

The land is exposed to the elements because of the logging and urgently needs replanting.

Five years ago the Manila Government granted the National Development Corporation (NDC) the right to own vast tracts of land, including more than 28,000 hectares in the province where Loreto is situated.

The idea was to open these lands for plantation development with foreign partners such as Dunlop, Guthrie, Keck Seng, and Sime Darby. They would be joining other foreign corporations such as Del Monte, Dole, and United Fruit which have long been successfully established in more accessible areas.

But whether out of wilful ignorance on raivete, NDC failed to take adequate account of peasants' claims to ownership of land it took over.

The controversy attracted international interest through the Church and, in particular, the Catholic Institute for International Relations in London. It also attracted the interest of the House of Commons, which only last month debated the issue again.

The main focus of concern originally was the use by NDC-Guthrie of the Lost Command, a group of former members of the Philippines military, which gained responsibility for security on the estate. The Lost Command mercilessly intimidated the local population, notably over land sales, and there were reports of killings, rapes, torture, bribery and protection rackets.

The House of Commons became involved because CDC proposed to make a £6.4m loan for the first phase of the NDC-Guthrie project. After lengthy investigations by CDC at British Government insistence, the lost Command was relieved of its responsibilities and a new security arrangement established last May. With improved labour practices also initiated, London approved the loan.

The project is now moving towards completion, and two British MPs—Mr Alf Dubs (Labour, Battersea) and Mr Colin Moynihan (Conservative, Lewisham East)—have visited the plantation and pronounced themselves broadly satisfied.

However, the Lost Command remains in existence. Though it keeps a low profile and remains under some CDC scrutiny, its leader—Col. Carlos Lademora—has never been charged and is thought to enjoy high-level protection.

Future CDC involvement in the Philippines could yet be affected and thus NDC's whole strategy, since other companies are watching developments. But it is the Loreto project, a joint venture involving NDC and CDC alone, which raises important issues of involvement for the British Government and the radical church.

CDC officials have explained the plantation proposal to all affected Loreto residents, conducted a socio-economic survey of a sample and is now asking each family claiming ownership of land whether it wishes to sell the land or, alternatively, participate in the scheme as an "outgrower"—retaining the land but growing oil palm or other crops.

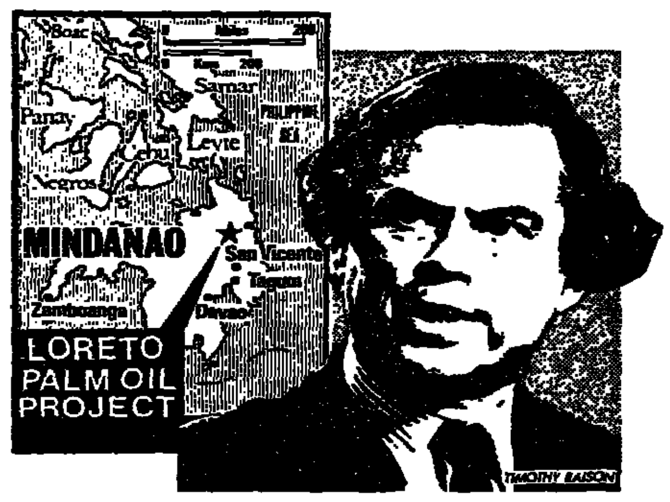
The aim is to develop 4,000 hectares of oil palm, 1,000 hectares of rubber and 50 hectares of cocoa, with another 3,000 hectares developed by outgrowers—an area which would be expected to grow in time. CDC will offer market rates or better for the land it buys.

But CDC is a long way from winning the support of the radical wings of the Catholic Church whose opposition springs from Mindanao's own experience:

Mindanao is a political and military hornet's nest, in which truth is a horrible casualty. Urban and rural guerrilla warfare confronts growing militarisation and terror and inefficient, often corrupt authorities constantly try to subdue minority groups of church workers and lawyers.

Add to this the impact of the national political crisis following the assassination of Opposition leader Benigno Aquino last August and of the economic malaise caused by the country's $25bn debt crisis and it is easy to see the dilemma of the CDC and the British Government.

For the Church there is the equally serious dilemma of whether to allow people like Magtan Oson and his community, most of whom are eager for the project to go ahead, to grab perhaps their only chance to escape from a pitiful poverty trap. In such Solomon-like choices are the strongest commitments tested.



Japanese plan to initiate Korea talks

By Jurek Martin in Tokyo

MR YASUHIRO NAKASONE, the Japanese Prime Minister, intends to explore the possibilities of promoting talks between the two Koreas during his official visit to China, which begins today.

In an interview published yesterday, Mr Shintaro Abe, the Foreign Minister, emphasised that Japan was not wedded to any particular formula in getting the two sides together.

Recently North Korea, with formal Chinese backing, has proposed tripartite meetings between the two Koreas, with the U.S. as the third party, but Seoul has countered by offering either four- or six-way exchanges, adding China, the Soviet Union, and Japan.

Japan senses that the Chinese Government is now more interested in tackling the Korean problem than previously. Exchanges between Pyongyang and Peking have been more active in recent months than for some years, according to observers here, while relations with Seoul have also improved, as witnessed by this month's Davis Cup tennis match between the two countries.

However, the absence of formal ties between China and South Korea practically means that Japan is in a postion to convey Seoul's opinions in any negotiations with China, though Mr Nakasone said yesterday he would only do this with the full approval of South Korea.

It is also anticipated that Mr Nakasone will want to sound out Peking on its latest exchanges with the Soviet Union and on those planned to take place in May when a Soviet Deputy Premier, Mr Ivan Arkhipov, is scheduled to go to China.

Bilateral Sino-Japanese relations are at present devoid of much friction.

Druze take action to end Beirut ceasefire violations

BY NORA BOUSTANY IN BEIRUT

DRUZE FIGHTERS of the Progressive Socialist Party (PSP) yesterday took over positions of the Sunni Moslem Murabitoun militia in an action aimed at putting an end to ceasefire violations.

A spokesman for the Shi'ite Moslem Amal Movement said the group was not taking sides and had ordered patrols in the areas of conflict to prevent confrontation. The state-run Beirut Radio said four people were killed and at least 12 wounded in yesterday's clashes.

The Druze explained in a communique that the move was aimed at stopping ceasefire violations, car thefts, the imposition of protection money, kidnappings of Christian citizens and because of displeasure over the Sunni group's attitude towards the return of Palestinians.

The PSP and Amal, the two largest paramilitary organisations in control of mainly Moslem West Beirut, announced they were closing the only crossing point into Christian East Beirut to motorists until a political settlement is reached.

Lebanese President, Amin Gemayel, returned home yesterday following talks in Paris with M Francois Mitterrand, the French President.

The leader of the Amal group, Mr Nabih Berri, also met M Mitterrand yesterday and announced he was "optimistic" about the outcome of the Lausanne reconciliation conference. There was speculation in Beirut yesterday that President Gemayel and Mr Berri pressed French officials to boost the presence of French soldiers in the United Nations Interim Force (Unifil) in Beirut.

The independent Beirut daily, An Nahar reported that France had agreed to widen its role in Unifil as reports from Toulon, France, said a large car ferry chartered by the French Navy is headed for Cyprus then Beirut to evacuate French troops.

President Gemayel was quoted as saying after meeting M Mitterrand that the French withdrawal from Lebanon would not be abrupt.

Mrs Gandhi likely to increase upper house majority

BY K. K. SHARMA IN NEW DELHI

PRIME MINISTER Indira Gandhi's ruling Congress (I1) party is expected to come close to a two-thirds majority in biennial elections next week to the 240-member Rajya Sabha, the Indian upper house of Parliament.

A two-thirds majority is important to pass any constitutional amendments. The party already has more than a two-thirds majority in the Lok Sabha, the lower house, which has less than a year left of its five-year term which ends next January.

Congress(I), which already has a simple majority of 133 seats, is to contest 46 of the 73 seats which fall vacant in the Rajya Sabha. Elections are indirect from electoral colleges formed by state legislatures, and the Congress (I)s strength there ensures that it will win the 46 seats if there is no cross-voting.

There has been no major constitutional amendments since Mrs Gandhi returned to power in 1980, partly because of her lack of a two-thirds majority, but Mrs Gandhi has encouraged a public debate on, possible changes in the present system of Government based on the Westminster model that India accepted when it became a republic in 1950.

Although Congress (I) seems unlikely to get a full majority, for all practical purposes it should have the strength it needs for a constitutional amendments with the help of tre left-wing, some regional parties and independents.

The elections will also be a test for the opposition parties which need to co-operate to ensure the victory of their nominees. Talks on co-operation have run into some trouble, although efforts to resolve differences will continue until the last date for withdrawals on Thursday.

Senegal reschedules half total foreign debt

BY FRANCIS GHILES

SENEGAL HAS successfully concluded the partial rescheduling of its $1.37bn foreign debt, with the repayment last week of arrears on interest payments owing to international banks.

The operation has involved three separate agreements, with the International Monetary Fund, foreign governments, and international banks.

The banks, which were represented by a steering committee chaired by Citibank, have agreed to reschedule $97m, which represents the amount of principal falling due between May 1981 and June 1982. The agreement was signed on February 3 and became effective on March 14.

The payments due between May 1981 and June 1982 will be repaid between 1986 and 1990 while a second tranche will be repaid between 1987 and 1991. The borrower will pay a margin of 2 per cent over the London interbank rate throughout.

The figure of $97m represents about half the $200m total debt Senegal has run up with foreign banks.

Another $435m is owed to Western governments, and $75m of that total was rescheduled by the Club of Paris at the end of last year. This figure represents 90 per cent of interest and principal repayments which fall due between between July 1983 and June 1984. The maturity of this payment is nine years, with five years grace.

The IMF standby credit of SDR 63m extended for one year last September, meanwhile remains but provisional figures for Senegal's balance of payments in 1983 suggest that improving the country's external financial position remains an uphill task.

Mitterrand-Reagan talks will set seal on Franco-U.S. ties

BY REGINALD DALE, U.S. EDITOR IN WASHINGTON

PRESIDENT Francois Mitterrand of France yesterday began two days of Washington talks intended to set the seal on a new chapter of greatly improved Franco-U.S. relations.

As M Mitterrand went to the White House for the first of two working sessions with President Ronald Reagan, officials on both sides were stressing the wide areas of agreement between the two Governments and playing down their differences.

Over the past three years, the Reagan Administration's view of M Mitterrand has dramatically changed from one of initial hostility and apprehension to support and admiration—particularly for his Atlanticist approach to East-West relations and France's readiness to intervene militarily around the world.

M Mitterrand's firm support for the deployment of U.S. cruise and Pershing-2 missiles in Western Europe has earned him particularly high marks in Washington, as has his generally robust attitude towards the Soviet Union.

"On matters which count in the world, we can depend on them," a senior U.S. official said of the French yesterday.

U.S. officials also note with relief that M Mitterrand's economic policies have swung much more into line with those of the U.S. They stress the anti-inflationary nature of French economic policy, the slowdown of the initial ambitious nationalisation programme and the emphasis on high technology.

The talks were expected to range over a wide number of world economic and political issues, including arms control, the Middle East, the Gulf, southern Africa, East-West relations and the June world economic summit in London.

Differences were expected to emerge over U.S. and European agricultural exports and French criticisms of the high U.S. budget deficit and interest rates. But officials said they did not expect either Mr Reagan or M Mitterrand to dwell on these points.

M Mitterrand is to spend five days travelling round the U.S., including a visit to the Illinois farm of Mr John Block, the Agriculture Secretary, before returning to Paris on March 28.

World economy will grow 3.7% this year, says IMF

NEW YORK—The world economy will grow an inflation-adjusted 3.7 per cent in 1984, with economic expansion slowing modestly to 3.5 per cent in 1985, according to latest projections by the International Monetary Fund.

In its confidential economic outlook prepared for the April 12 meeting of the IMF interim committee in Washington, the IMF stresses that the world economy took "a decided turn for the better" in 1983 when it came out of recession and returned to growth.

The fund's report, of which parts were made available, stresses that the reduction in world-wide inflation last year was "the most encouraging development." For the first time in 15 years, it says, inflation was less than 5 per cent.

The IMF report notes that industrial nations had been the first to slide into recession, but also were the first to recover.

For 1984, the IMF report projects real growth in output of goods and services, and real growth in Gross National products of 3.7 per cent for industrial countries. Their growth averaged 2.3 per cent last year. The IMF 1985 forecast is for 3.2 per cent growth in the industrial countries.

For the developing countries as a whole, the IMF projects 1984 growth at 3.8 per cent compared with 0.9 per cent in 1983. The report predicts that the GNP of the developing countries will rise 4.5 per cent in 1985.

Britain, which had a 2.9 per cent expansion rate last year, can expect growth of only 2.6 per cent this year, with the rate contracting to 2 per cent in 1985, the report adds.

AP-DJ

Nicaragua to acquire mine sweepers

By Tim Coone in Managua

NICARAGUA is to acquire minesweepers to protect its ports, according to Sr Daniel Ortega, the Head of the Nicaraguan government junta.

Three foreign ships have been damaged by mines placed in the access channels of Nicaragua's main ports, the latest casualty on Tuesday being the 30,000-tonne Soviet oil tanker Lugansk.

'Irish aid' case

The U.S. Justice Department argued yesterday that the Irish Northern Aid Committee should be fined $5,000 (£3,300) a day until it complies with a court order to register as an agent in the U.S. of the Provisional IRA, AP reports from New York.

Lawyers for the committee countered that the U.S. constitutional right against self-incrimination protects the group from filing the required forms.

The committee says it raises money and clothing for "oppressed people" in Northern Ireland.

The Judge reserved his decision.

Bid to fight acid rain

Canada and nine West European nations have agreed to combat acid rain by reducing sulphur dioxide emissions by 30 per cent by 1993, Agencies report from Ottawa. They also urged other countries, especially Britain and the U.S. to join the effort.

Ministers from West Germany, France, the Netherlands, Norway, Sweden, Denmark, Finland, Austria and Switzerland attended the Ottawa meeting.

'High-tech' charges

Two businessmen pleaded guilty yesterday to charges of illegally exporting high-technology equipment which U.S. officials believe was destined for the Soviet Union, Agencies report.

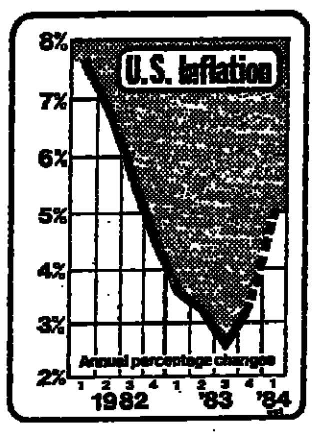
Court documents made public in Denver claimed the men made at least 14 shipments of advanced computer and electronic equipment to Britain and West Germany from December, 1982, to December, 1983. They face up to seven years in jail.

Stewart Fleming in Washington considers the likely course of U.S. economic policy

Fed steers clear of boom and bust forecasts

"THIS IS beginning to look like a boom-bust economy, said one well-known Wall Street economist earlier this week when the U.S. Commerce Department announced it expected real growth to hit an annual rate of 7.2 per cent in the first quarter.

Even a few weeks ago, such a performance was projected by only the most extreme economic forecasters. According to the blue chip survey of economic forecasts, even at the beginning of February growth in the first first quarter was not expected to be more than 4.5 per cent.



Now, not only on Wall Street, but also in the world's financial capital, businessmen and Government officials are wondering how the Federal Reserve Board (the U.S. central bank) will react to such a rate of expansion. Mr Paul Volcker, the Fed chairman, has already indicated that growth at this level, if it continued, would be seen as threatening the long-term recovery by re-igniting inflationary pressures.

On Wall Street there is already a widespread, albeit not universal, conviction that the Fed has in effect tightened its monetary policy but not supplying enough reserves to the banks to offset the market pressures which have driven short-term interest rates up by almost a percentage point since the end of January. The Federal funds interest rate went above 10 per cent last week and the politically sensitive prime rate rose from 11 per cent to 11.5 per cent this week.

Attention now focuses on next week's meeting of the Fed's Open Market Committee, where the central bank could raise the discount rate and even set in motion policies paving the way for short-term interest rates to edge higher.

Three months ago the 12 members of the FOMC came close to voting to tighten monetary policy. This time they will be aware of the constraints on their freedom of action. On past evidence, one of these constraints may not even be mentioned directly by the Fed governors and their advisers. By tradition, officials scrupulously avoid open discussion of political pressures, but following the prime rate rise and with an election approaching, the issue will undoubtedly permeate the atmosphere.

The White House has been careful not to appear in public to be too crudely "jawboning" the Fed. But officials ranging from Mr Donald Regan, the Treasury Secretary, to his arch rival Mr Martin Feldstein, chairman of the Council of Economic Advisers, have disputed the contention that the economy is "overheating."

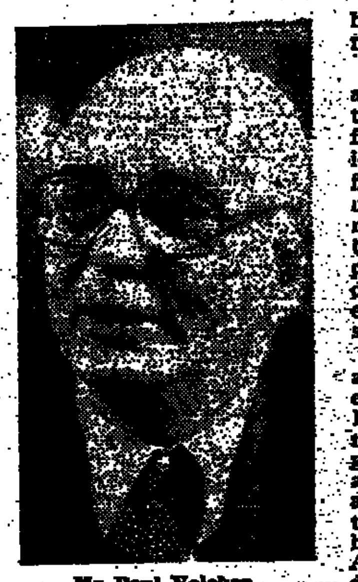
Mr Feldstein, widely seen as the Administration official most sympathetic to the Fed chairman, has made it clear that he does not feel there is any need for the Fed to tighten policy since the inflation rate is still at around the 5 per cent level in the first quarter, and a second quarter slowdown in growth is on the horizon.

The international economic situation will also limit the Fed's freedom of action. In a speech last week, Mr Jacques Delarosiere, managing director of the International Monetary Fund, pointed out that every percentage point rise in international interest rates adds $4bn to the debt service costs of developing countries.

Rising dollar interest rates over the past few weeks have stemmed the downward drift of the U.S. currency on the foreign exchanges, although the idea that the dollar is now a currency which is more likely to fall than rise is now the conventional wisdom.

Some influential economists are convinced that soaring U.S. budget deficits, rapidly deteriorating current account deficits, and growing dependence on capital inflows from abroad are pointing inexorably towards one thing: a combination of a sharply falling dollar and upward pressure on interest rates if foreign investors begin to demand higher returns for investing in dollar assets. Such fears have led to even more pessimistic assessments of the inflationary outlook.

The domestic economic scene points in the same direction. The Fed chairman has played his cards shrewdly in the debate about the federal budget deficit. Americans, both inside and outside Congress, are convinced that budget deficits, not high interest rates, present the biggest threat to he economy.



Mr Paul Volcker

Highly visible monetary policy moves such as increasing the discount rate (apart from their unpredictable impact on the financial markets) would tend to put monetary policy back in the political spotlight, something the Fed will want to avoid.

There is still some hope that Congress and the Reagan Administration will agree on a package to chip away at the budget deficit, although most would agree that the chances are not high. But while the possibility exists, there is another reason for the Fed not to act too boldly because it might have to change its course in a rather public fashion.

Were it not for these political and international considerations, it would be much easier for the Fed to make a case for leaning strongly against the inflationary momentum building up in the economy, which is now so powerful that some sense the economy will soon be displaying characteristics more indicative of the third year of an economic expansion than the second.

Many of those who argue along these lines suggest that changes in the financial markets, including the deregulation of interest rates, the rapid growth in the volume of variable interest rate mortgages and the more generous tax treatment which companies have received under the Reagan Administration have further reduced the impact of even relatively high interest rates on curbing economic activity.

But officials like Mr Malcolm Baldridge, the Commerce Secretary, maintain that the mini-boom of the past few months is already petering out and there will be a marked slowing in real economic growth in the second quarter.

Faced with the political and economic pressures, with the monetary aggregates still broadly on target and the inflation figures still moderate, the Fed is expected to move cautiously next week. Inflationary expectations are on the rise and credit demands in the economy expanding rapidly, but central bank observers suspect that the Fed will find it hard to justify anything more than a gradualist approach to resisting these forces.

Bomb attacks precede Peru general strike

BY OUR FOREIGN STAFF

A 24-HOUR general strike in Peru yesterday was preceded by bomb attacks in the capital, Lima, carried out by Leftist guerrillas.

But police reported only scattered incidents during the day amid heightened security and the operation of a three-day state of national emergency.

The state of emergency was declared by President Fernando Belaunde Terry to limit the possibility of violence, and will last until Saturday.

During this time, no demonstrations or public meetings can be held and police have the right to detain without court orders. It is the second time in six months that President Belaunde has been obliged to resort to this measure.

The general strike was called by trade union leaders to protest against the government's failure to cope with Peru's deep-rooted recession.

Brazil march attracts 100,000

BY ANDREW WHITLEY IN RIO DE JANEIRO

WELL OVER 100,000 people took part in a noisy demonstration through central Rio de Janeiro—the latest event in a national campaign to restore direct presidential elections to Brazil this year.

The scale of the demonstration, in which several banned left-wing parties were prominent, was much larger than had been expected.

A few days earlier, its organisers, an umbrella group of all the opposition parties, had decided to downgrade the event in view of the illness of Sr Leonel Brizola, the radical Governor of Rio de Janeiro State.

The high point of the opposition's campaign, involving street rallies and meetings all over the country, has now been set for April 10. Two weeks later, Congress is due to vote on a constitution amendment Bill presented by the opposition, permitting a direct poll for the presidency.

A dovish faction in the presidency, headed by Sr Leitao de Abreu, President Joao Figueiredo's chief domestic adviser, is pushing for the Government to regain the initiative, by presenting its own constitutional amendment in advance of the opposition Bill.

This would probably provide for presidential elections and other electoral reforms later in the decade.

So far, the President has avoided committing himself. But the pressure is mounting on him to take a clear stand.

Argentine union chiefs attack economic policy

BY JIMMY BURNS IN BUENOS AIRES

ARGENTINA'S MAIN trade union organisation, the General Confederation of Labour (CGT), yesterday slammed the Government's economic policies and warned that the country was on the brink of a "major social crisis of immeasurable consequences."

The statement was the latest move in a growing offensive against President Raul Alfonsin from the hardline union "bosses" linked to the opposition Peronist Party.

CGT leaders are trying to consolidate their position in the wake of the recent parliamentary defeat of the Government's key trade union reform bill.

The Government had hoped to supervise direct elections to avoid fraud and to guarantee access to branch committees of members of non-aligned unions or Peronist dissidents.

The CGT has strongly resisted, arguing that the reforms are aimed at splitting labour.

In an apparent attempt to re-establish its diminished authority among the rank and file the CGT yesterday drew the Government's attention to the current wave of stoppages by workers in the car, coal, telephone and print industries who are also pressing for wage increases of over 50 per cent.

The militant tone of the CGT leadership is posing a major problem for the Government while it tries to negotiate with the International Monetary Fund as a first step towards solving its $43.6bn debt.

In a related development yesterday, a survey conducted among 1,000 leading Argentine companies shows that the bulk of Argentine industry feels itself unable to meet the cost of increased wages unless the Government relaxes its controls on the prices of industrial products.

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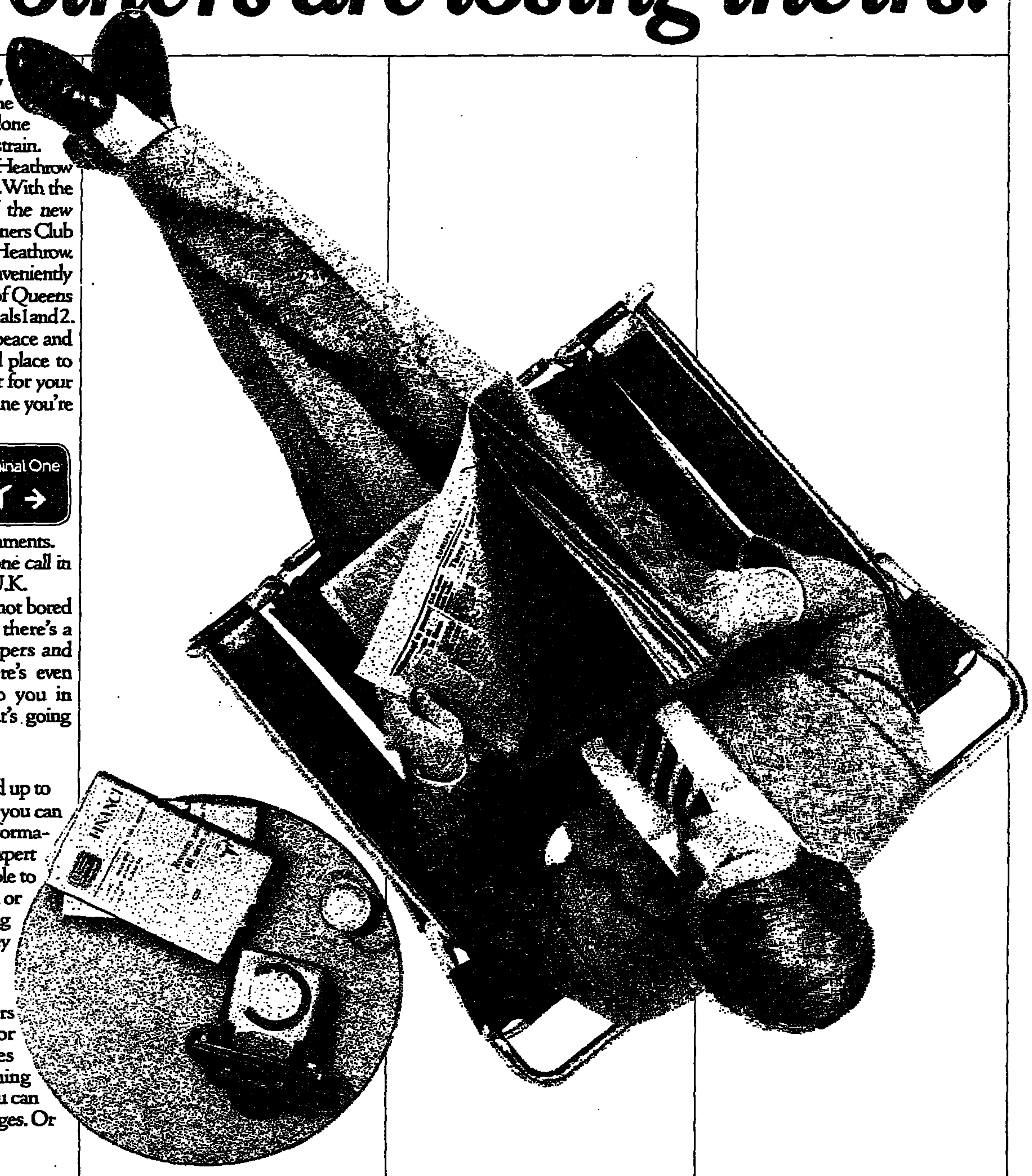

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Terminal Two

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TECHNOLOGY

EDITED BY ALAN CANE

INGERSOLL ENGINEERS PREACHES SIMPLICITY IN AUTOMATION

Flexible approaches to engineering

BY ALAN CANE

INGERSOLL Engineers' public reputation is based on a couple of reports, one dealing with robotics, the other with flexible manufacturing systems.

Both pointed all too clearly to the way in which manufacturing techniques in the West in general, and in the UK in particular, were slipping behind those in Japan: "It is clear that we lag behind our major competitors . . . little progress has been made in Britain," complains the FMS Report.

Its commercial reputation is based on a series of consulting jobs for clients as diverse (and as sophisticated in manufacturing automation) as Cincinnati Milacron, GEC Large Machines and Molins, the cigarette machine manufacturer.

It is one of the fastest growing parts (£8m this year with 75 per cent of its business coming from repeats and referrals) of Ingersoll International, a U.S.-based machine tool and manufacturing consultancy based in Rockford, New Jersey.

Based near Rugby in the UK's traditional manufacturing heartland and housed in a reclaimed and renovated manor house, Bourton Hall, Ingersoll exemplifies the new breed of manufacturing consultant which puts analysis before technology, simplicity before complexity.

It has some features in common with PA Consultants and with Patscentre, its research and development organisation, and indeed the two companies have worked in a complementary fashion on some products, Patscentre taking the product through the conceptual and prototyping stages, Ingersoll devising and implementing the manufacturing strategy.

Inbucon and P-E Consulting Group are other examples of companies with a similar approach to manufacturing technology which deliberately avoids the high technology solution for its own sake.

As Mr Peter Dempsey, chief executive of Ingersoll, told a recent conference: "This does not mean that the technologies in flexible manufacturing (FMS) are unimportant. It does mean that the real success of FMS lies in its way of thinking and its application."

There are a dozen ways to define FMS, some of which are listed in Ingersoll's report: the simplest definition is a strategy to bring the benefits of dedicated transfer line manufacturing to small batch production using computer controlled machine tools, robots and warehousing.

The *FMS Report* was published last year. Now Ingersoll has prepared and submitted two further reports, each of which should contribute further to its public reputation. One has been submitted to the Department of Trade and Industry, the other to the National Economic Development Office.

The report to the DTI is concerned with the establishment of a centre of excellence in manufacturing, analogous perhaps to the centres of excellence in pure science established by the Science and Engineering Research Council.

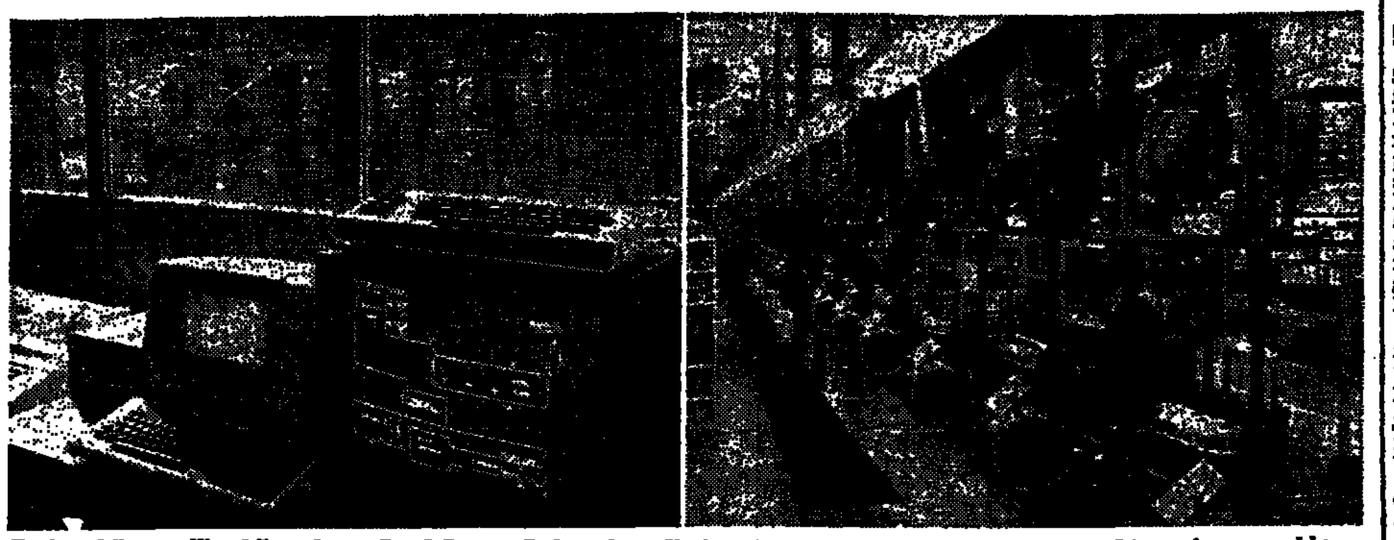
The NEDO report deals with ways of building the essential bridges between the new manufacturing technologies and business success.

The contents of both reports are still confidential but it would be remarkable if their conclusions were not informed by Ingersoll's current preoccupation that FMS worldwide has been poorly served by its pioneers who have spent large sums of money on glittering manufacturing showpieces with little thought for the commercial consequences.

Peter Dempsey says: "The way FMS has been implemented by these large companies has created the danger of it seeming totally irrelevant to the majority of small companies who could best benefit from it . . . and remember that 95 per cent of UK manufacturing companies have a turnover of less than £20m."

He backs this up with evidence from the FMS Report: "A recent survey of more than 50 installed flexible manufacturing systems in Europe, the U.S. and Japan indicated that only two or three appeared to provide anything like the actual financial performance predicted for them.

It may be some months before Ingersoll knows whether the Government will bankroll its scheme for a demonstration system with obvious relevance to the smaller manufacturer. The amount needed will be small, Ingersoll says (no high tech virility symbols here!), compared with its value to UK manufacturing industry.



Fruits of Ingersoll's philosophy at Land Rover. Left: colour displays track parts around the plant. Right: engine assembly—each unit travels with its own documentation

HIGH TECHNOLOGY at Land Rover's engine plant at Solihull is distinctly low profile.

There is plenty of it, but it is hidden away. The most obvious feature is the massive computer controlled stores section with a capacity of 3,960 pallets—10 days' average component stock. Ironically, Peter Dempsey says it is the one feature of the system which would not be repeated today, partly because of the reduced demand for Land Rovers in today's economic climate. Designed for 2,000 engines a week, it is presently turning out about 800.

The plant was created to produce petrol and diesel varieties of the five bearing 2.25 litre engine. It took 24 months to complete and the first engines came off the line on July 1, 1980. At a total cost of £66.5m, it was £10.4m under target budget.

Land Rover and Ingersoll belive they broke new ground with the project in a number of ways. First, they decided they could complete the project by July 1, 1980 and stuck to that date. It meant ensuring that a whole raft of outside suppliers toed the line. Peter Dempsey recalls: "A number of suppliers told me later that they had found it a distinctly unpleasant experience . . . but they had learned from it."

A critical feature was the decision to allow Ingersoll to act as managing agents for the project and to work with Ingersoll rather than asking Ingersoll to take full contractual responsibility. It meant, for example, that Ingersoll could charge a lower fee because it did not have to insure itself so comprehensively as if it had full liability.

It also meant that Ingersoll could be very tough indeed—with Land Rover's blessing—with suppliers who failed to perform.

A percentage of each suppliers' fee was withheld as a further guarantee of performance—and Ingersoll did not flinch at moral blackmail: "If this project fails to come in on time it will be all your company's fault," Dempsey told one supplier.

The engine assembly itself is not particularly automated—chiefly because it was not thought to be economic at the production volumes anticipated. But the path of parts round the plant can be tracked on video colour screens—very advanced for a project which after all was conceived in 1978.

Engines are tested in a 24-cell unit using computer controlled dynamometers — an expensive facility which Mr Cedric Emery in charge of plant and production engineering at the site justifies as an investment in the future: "They could ultimately lead to a substantial change in hot test activity."

Land Rover and Ingersoll claim no special managerial magic in their success: "It involved endless checklists in endless detail" and it was clearly traumatic for all involved. Would they do it again? "Yes I would. With no hesitation" Cedric Emery said emphatically.

SEMICONDUCTORS

STC puts £60m into Foots Cray factory

BY ELAINE WILLIAMS

STC's FACTORY at Foots Cray in Kent was one of the first in Britain in 1956 to make the most advanced electronic components of that time—transistors. Times have changed. Even transistors are out of date and STC has decided to spend £60m on a new factory to manufacture very large scale integrated circuits, today's equivalent of the transistor.

The company has also applied for a substantial grant under the recently announced MISP II programme run by the Department of Trade and Industry. The DTI is expected to announce its decision on April 5.

Construction of a new semiconductor factory has just begun at Foots Cray. Mr Bob Hunt, general manager at the site watched the foundations laid yesterday and completion is due for November next year. STC Semiconductors will even have to divert the river Cray to accommodate it.

Over the next five years the workforce will be doubled to 1,000 as will be the output of components at Foots Cray. The company will spend about half the investment on advanced semiconductor manufacturing equipment to produce chips on six inch wafers. Four inch wafers are standard today and are used at the existing Foots Cray plant. Here the complex process of semiconductor manufacture—from wafer processing to packaging and testing is carried out.

Manufacture will be concentrated on a range of memory chips and semi-custom and custom design circuits. The chips will be made using a low power CMOS technology with line widths of between 1.5 and 2 microns which is leading edge technology today.

Already the factory turns out more semiconductor components in the UK than any other British company. Mr Richard Phipps, marketing and sales manager at Foots Cray, said that the company is also one of the world's major suppliers of 16K dynamic random access memories.

Much of its business comes from the personal computer and telecommunications industries. For example, it makes a number of special circuits for telephone exchanges and telephone subsets. New products are likely to be announced shortly. Mr Phipps said that STC Semiconductors plans to expand into professional and military applications. Only a small part of the company's output—in the region of 10 per cent—is destined for other companies within the STC group.

Custom design is another important growth area for STC which plans to more than double its present facilities. It will reveal its plans formally in July.

STC has already substantial semiconductor manufacture in the Kent plant. This is the wafer fabrication area.

Metalworking

Machine tools

A SHEET metalworking machine from Trumpf Machine Tools, St. Albans, can be programmed from a built-in screen and keyboard to give optimised punching and nibbling instructions to the machine tool.

Graphics and nesting elements of the software allow a single sheet metal component or a batch to be programmed in less time than a conventional tape-based system would take, claims Trumpf.

The C-frame hydraulic press has a capacity of 3m x 1m x 6.4mm before repositioning, integral support tables, a maximum stroke rate of 220 per minute and positioning speed in the X and Y axes of 50 and 38 m/sec respectively. This accuracy is plus or minus 0.1mm.

After all the data has been entered by the operator, he keys in the number of parts needed and the computer nests them to give minimal waste of material. The proposed arrangement is depicted on the screen. The program generated can be stored for re-use. More on 0727 51111.

Computers

Thorn-EMI maintenance

THORN-EMI Information Technology has set up Computeraid Services to provide independent maintenance to suppliers and users of microcomputer systems.

Thorn-EMI's activities already include large scale manufacture and distribution of microcomputer products. Systems such as the Superbrain, IBM's personal computer, Digital Equipment, WICAT and TeleVideo. More details from Computeraid Services in Farnborough on 0252 548888.

Yugoslav group wins big Soviet contract

By Aleksandar Lebl in Belgrade

A YUGOSLAV agricultural-industrial group is to design, construct and equip a 256,000-acre farming and industrial project in the Black Sea region of the Soviet Union.

The deal is understood to be valued at anywhere between $500m and $1bn, and is one of the largest contract awards of its type ever to go to a non-Soviet organisation.

News of the deal emerged following the recent visit to Belgrade of a Soviet delegation headed by Mr Ali Nurijev, vice-premier and member of the Politbureau, who is also in charge of Soviet agriculture.

The project will be located near the Black Sea tourist resort of Soci.

The Yugoslav organisation winning the deal is Poljoprivredni Kombinat Beograd (PKB), the country's sixth largest corporate organisation. It will prepare all the necessary preliminary studies and designs, and will organise primary production, construct new facilities or modernise existing structures for the food processing industries. It will also build and equip packaging plants, storage and refrigerating facilities and supermarkets in the region.

The financial details of the project were not immediately available.

The project is planned to be completed in three years. It is likely that some equipment for the food processing and packaging will be purchased from western sources.

PKB has worked on projects in Angola, Iraq and Ghana.

David Marsh in Paris reports on changes in demand for broadcasting satellites

French satellite rivals resist an arranged marriage

WHEN M Laurent Fabius, the French industry minister visited Seoul last December to help boost his country's Far Eastern business prospects, he hoped to take with him firm proposals on which a French space company would be bidding to provide a proposed South Korean TV satellite.

In fact, the minister had to tell the South Koreans that France's two satellite manufacturing groups, Aerospatiale and Matra, both wanted to fight for the order—and he later found out that the Seoul Government, facing cash difficulties, had anyway decided to drop the project.

The story is recalled by M Pierre Usunier, general manager of Aerospatiale's space and ballistics systems division, to illustrate that France's two satellite companies, despite being state-controlled (the Government owns 100 per cent of Aerospatiale and 51 per cent of Matra), have so far resisted long-standing pressure from the administration to end their rivalry in bidding for scarce export orders.

In both cases, the key factor is international collaboration. Both companies have decided to keep and expand their links with foreign space partners—in the case of Aerospatiale, Messerschmitt - Boelkow - Blohm of Germany and Ford of the U.S.: for Matra, British Aerospace—rather than to join forces with each other.

"We are wedded to Messerschmitt. In a difficult environment' it's not a matter of opportunity — it's a question of survival," says M Usunier. "We will survive or die together."

Aerospatiale's ties with Messerschmitt in aircraft, missiles and helicopters go back 25 years. Six years ago, the two groups helped set up a Franco-German company, Eurosatellite, to manufacture and sell high-powered satellites for direct TV broadcasting (DBS). Other shareholders are Thomson of France, AEG Telefunken from Germany (now ATN) and Etca from Belgium.

Now, in order to adapt to changing demands for smaller, more efficient satellites and to increase the flexibility of their product range, Aerospatiale and Messerschmitt have unveiled a new formula for co-operation. At the end of last year, they announced collaboration on building a "family" of satellites called the Spacebus series. This is intended to meet international demand for DBS and telecommunications satellites covering a far wider range of uses than offered by the Eurosatellite grouping.

The Spacebus name is designed to evoke parallels with the European Airbus project in which Aerospatiale and Messerschmitt are the main shareholders. But the decision to launch the family was prompted by the failure of Eurosatellite to live up to initial hopes of success on the world satellite market.

Partly because of technological advance which has boosted the capacity of smaller satellites for TV transmission from space, partly because of budgetary cuts among client countries in the industrialised and developing parts of the world, Eurosatellite has won only three firm orders.

These are for the French and German DBS satellites TDF-1 and TV-Sat, and a Nordic TV satellite Tele-X, being built in conjunction with Saab and L. M. Ericsson of Sweden.

The TDF and TV-Sat "big birds," being prepared for launching at end-1985, face clear rivalry from medium-sized telecommunications satellites, and could even end up as technologically obsolete.

The European satellite communications organisation Eutelsat, owned by Europe's Post Office authorities, believes that DBS—under which signals are beamed down on to individual rooftop antennae—is much less promising than indirect TV broadcasting using lower-powered satellites and cable links on the ground.

Eutelsat's ECS spacecraft, of which one was launched last year and the next two are to go up soon, beam signals to central reception stations linked to cable TV networks. Demand has been so strong that Eutelsat is already considering ordering more satellites.

Eutelsat points out that medium-sized satellites offer more channels, are less expensive (at around $40m to $50m apiece against $60 to $70m for a high powered one) and cost less to launch compared with the "big birds." The same point is made by the French telecommunications authority, the DGT, which is lobbying hard for the TDF system to be abandoned and to be replaced by a smaller satellite scheme.

When the Eurosatellite group was founded, its shareholders foresaw DBS as the most promising sector of the international satellite market. Now, Aerospatiale itself believes that, out of 200 civil telecommunications satellites which could be ordered world-wide between 1985-95 two-thirds could be of the smaller variety.

In order to win orders on the all-important domestic American market, Aerospatiale knowns that it has to work with U.S. spacecraft makers.

In 1981, Aerospatiale teamed up with Ford to win a $130m order from the Arab League for two Arabsat craft (plus a spare) due to be launched this year and next. Aerospatiale was chosen as prime contractor, partly for political reasons, even though it is providing only 40 per cent of the value of the satellites.

Aerospatiale's French rival, Matra, meanwhile, is preening itself on having formed in 1981 the Satcom International consortium with British Aerospace geared to building medium-sized satellites. This is a programme following on from Matra and British Aerospace's association in the ECS satellites and Matra's construction of the Telecom series of telecommunications spacecraft for the French Post authorities—a deal which it clinched in 1979 in competition with Aerospatiale.

Matra and British Aerospace are injecting FFr 100m (£9m) each into development of a future lighter type of telecommunications craft called Eurostar, which can also be used for TV broadcasting.

Under an agreement now worked out with the French Industry Ministry and the national space agency CNES, Aerospatiale and Matra will co-operate in future on purely French projects such as the Spot series of observation satellites and possible military variants in the late 1980s.

But on international markets they will largely be in competition.

PARIS INCREASES SPENDING ON SPACE PROJECTS BY 34%

FRANCE WILL buttress its high technology efforts by increasing its space budget by 34 per cent to FFr 4.76bn (£407m) this year, representing roughtly half the money spent on space by the whole of Europe.

The budget presented yesterday in a planning document from the national space agency CNES, is backed largely by credits from the Research and Industry Ministry, putting up about 75 per cent of the total. Only a small contribution of FFr 267m comes from the Defence Ministry.

Although the space budget has escaped the spending axe at a time of general budget austerity, French space planners are stepping up efforts to win approval for a further increase in cash to support fresh projects in coming years.

President Francois Mitterrand's speech in The Hague last month, in which he launched the idea of a European military space station, was not discussed in advance with CNES but has plainly given an important psychological boost to the French space lobby.

CNES this summer is to seek funds from other members of the European Space Agency to back development of a new liquid hydrogen and oxygen motor, the HM-60, designed to power an advanced Ariane rocket for the 1990s. It is also pressing the case for building a "mini-shuttle" called Hermes which could transport men and materials to orbiting space platforms such as the U.S. space station

FFr 1.9bn of this year's CNES budget will be spent on ESA programmes, with the greatest share going on production, development and research costs concerning current and future versions of Ariane.

Ericsson wins key cellular radio order

By David Brown in Stockholm

THE U.S. subsidiary of Ericsson, Sweden's large telecommunications group, has won a key $10m order to provide a mobile cellular radio system for Detroit's Cellular Telephone Company (DCTC) this year.

The order is the third in a total of about $30m in cellular radio contracts signed by Ericsson in the U.S. Only six such awards have been made in all, company officials say. The Detroit order represents a significant strengthening of the group's position on a small but growing market expected to reach "multi-billion" proportions within the next decade.

DCTC is Detroit's privately-held radio common carrier, and is competing with the Metropolitan Telephone Company. The Detroit market is the fifth largest in the U.S.

Ericsson recently won a $42m order in the UK to provide the first stage of a mobile telephone system to Racal-Millicom. The group has between $150-200m mobile systems installed or on order in 12 countries, spokesmen say.

S. Korean TV makers to cut U.S. exports

THREE MAJOR South Korean colour TV manufacturers have agreed voluntarily to restrict exports to the U.S., Our Foreign Staff writes.

The three, Samsung Electronics, Daewoo Electronics and Gold Start Company, each sent more than $60m in colour TVs to the U.S. last year, a Korea Electronics Association official said. Details of the agreement have yet to be worked out.

Turkish electricity

Westinghouse Systems, a Hawker Siddeley company, has won a £12m contract in consortium with Telettra, the Italian communications group, to build a national load despatching centre for TEK, the Turkish electricity authority.

Yesterday's Financial Times incorrectly reported that the contract had been awarded to Westinghouse of the U.S.

French to build Hong Kong flats

COIGNET, the French construction group, has signed an order worth more than HK$140m (£125m) to build a block of low cost flats for the Hong Kong Housing Ministry, writes our Paris staff.

The contract, to build three 38-storey blocks containing 1,680 apartments, will be carried out by Coignet and other French construction groups between May, 1984, and September 1986.

U.S. newsprint prices set to rise

BY ANDREW FISHER IN CHATTANOOGA, TENNESSEE

NEWSPRINT PRICES are set to rise by at least 5 per cent in the U.S. later this year, according to officials of Bowater, the UK company with major operations in North America.

The current price is around $500 a tonne, up last September from the $468.50 to which it fell during the poor market of 1982.

But demand is now surging under the influence of accelerated economic growth. "The market nods and says yes, you need a price increase," said Mr Wayne Mangels, vice-president for market research at Bowater's U.S. pulp and paper division.

Newspaper publishers are generally expecting a price rise in the second half of this year of around 6 to 6½ per cent, though some reckoned with a lower 5 per cent increase, he added.

Bowater supplies nearly 9 per cent of the total U.S. newsprint market and around 20 per cent of the fast-growing southern Sunbelt market.

Total U.S. newsprint consumption was 4.7 per cent higher in 1983 at nearly 10.6m tonnes after the market began to pick up last summer.

In January this year, U.S. consumption soared by 8.7 per cent to 874,000 tonnes, according to provisional figures from the Canadian Pulp and Paper Association, which produces North American statistics.

Previous over-capacity in the U.S. market is now being sharply reduced, said Mr Mangels. He reckoned U.S. newsprint use would expand by at least 4 per cent in 1984, aided by coverage of the Olympic Games and the presidential election.

At Bowater's biggest newsprint mill, at Calhoun, Tennessee, near Chatanooga, output is being pushed up to an estimated 660,000 tonnes this year from 630,000 in 1983.

Early last year, the five-machine mill was closed down for 17 days because of poor demand.

Long-term LNG outlook 'bleak'

BY LYNTON McLAIN

THE LONG-TERM outlook for new liquid natural gas business continues to be "bleak," according to a review of the world LNG market published yesterday.

The only signs of optimism are that LNG exports from Canada and from Australia's north west shelf "might still be implemented by 1988 and 1989 respectively," according to Gotaas-Larson Shipping Corporation, which published the report.

Those companies that consider starting liquid natural gas projects "may embark on ill-conceived projects with little prospect of success" if they fail to acknowledge competition from other fuels and from existing plants and spare capacity in the industry, the report said.

In the near-term, a "steady growth of imports" by Japan is forecast over the next three years. New supplies are forecast from Malaysia and Indonesia in specialised ships dedicated to this business route. Japanese imports reached 17.9m tons in 1982, 21m tons last year and are forecast to reach 25m tons this year and up to 30m tons a year in 1986.

Imports to South Korea are scheduled to start in 1986. Deliveries are expected to reach 2m tons a year or more in 1987.

Kuwait has started a project to import LNG on an existing 125,000 cubic metre vessel. Deliveries could start later this year to supply a power and desalination plant.

The short-term outlook for LNG movements to the U.S. looks "gloomy" according to Gotaas-Larson. Under existing contracts about 4.4m tons should be delivered this year, mostly from Algeria. Actual deliveries are expected to be only about 900,000 tons as a result of disruption to supplies through the Sonatrach-Trunkline system.

"LNG World Overview," Gotaas-Larson Shipping Corporation, 105 Victoria Street, London SW1E 6QJ.

UK NEWS

Motor traders put importers under scrutiny

BY JOHN GRIFFITHS

A REVIEW of the role and status of vehicle importers is to be undertaken in the UK's Society of Motor Manufacturers and Traders (SMMT) in the next few months.

This follows a decision by the SMMT's 130-member council yesterday to give two years' notice of ending an agreement with the little-known Importers' Protection Association. The agreement has been in force since 1932.

The council's action was described last night by Mr Antony Frazer, the SMMT's director general, as likely to have no dramatic effect. The council, he said, had felt it was appropriate to review an agreement which had been in force for so long, and the circumstances of which had so clearly changed since it was signed.

Informants in the UK sector of the membership suggested, however, that the effects could be considerably more far-reaching. They indicated that the review, for which a working party is being set up, could lead to the setting up of a two-tier membership in which UK manufacturers of both vehicles and components would play the more dominant role.

The issue is a deeply political one in the SMMT. BL, in particular, as the only manufacturer with activities wholly based in the UK, has frequently been critical of the extent of influence of importers.

The state-owned BL has also lobbied the Government over what it has claimed to be too "soft" an approach to imports from countries where two-way trade is restricted.

At one stage, BL was considering withdrawing from the SMMT.

HALEWOOD PLANT EARNS PRAISE FOR COSTS AND QUALITY

Ford plans £11m investment

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

Ownership of Seddon Atkinson, the Oldham-based heavy truck producer, has now passed from International Harvester of the U.S. to Enasa, the State-owned Spanish group. Mr Federico Sotomayor, Enasa's chairman, said yesterday in London, that his company would immediately inject £2m into Seddon. As a result, Barclays, the UK group's main banker, had agreed to continue financial support.

FORD IS to invest £11m in a plastic moulding injection plant at its Halewood plant on Merseyside which produces Escort and Orion cars. Some press shop work, which was to have been transferred from Halewood to continental Europe, will also be retained at the plant, the company said.

Mr W. J. Hayden, Ford Europe's vice-president of manufacturing, added yesterday that the company was prepared to extend to Halewood production of Ghia versions of both cars which are at present built only in West Germany. This could raise output by 150 cars a day.

Behind these announcements lie developments which Ford is as yet unable to talk about publicly. But they relate to signs of a fundamental change in the industrial relations climate at Halewood which had become known as the "black sheep" of the Ford empire in Europe.

Last March, the Halewood plant was already into its ninth dispute of the year. Throughout 1982, its 9,700 workers' output had averaged just 720 cars a day, against capacity of 1,015, and compared with 1,232 per day of the same cars by 7,300 workers at Ford's Saarlouis plant in West Germany.

A costly dispute last March when a strike followed a management decision to dismiss a worker for allegedly causing deliberate damage to a bracket worth a few pence, was the last Halewood stoppage of any significance.

There was a brief stoppage in December over a disciplinary issue, but for some months now labour peace at the plant has led to average daily output rising sharply, to 928 cars a day. Introduction of the Ghia cars is expected to take the plant to maximum output given work force co-operation.

Privately, Ford executives are expressing cautious optimism that it will be forthcoming. They see as positive pointers:

● The response of Halewood in the threatened strike over pay at all Ford plants at the end of the year. Although the plant voted for a strike, the ... of the walk-out which has often characterised Halewood in the past did not materialise.

● The Halewood plant refused to walk out in the dispute over the closure of Ford's Dagenham foundry.

● A large proportion of the work force walked out on strike ... pool city councillors at a meeting called to drum up support for an anti-Government "day of action" protest.

Miners prepare for complete stoppage

BY JOHN LLOYD, INDUSTRIAL EDITOR

THE LEADERSHIP of the National Union of Mineworkers (NUM) is now set to complete the closure of the country's 174 pits and then to attempt to broaden its strike action to other sections of workers.

This follows a day in which more miners appeared to be ready to give support to the strikes called over pay, pit closures and job losses. Union leaders claimed last night that the police behaviour towards pickets had hardened attitudes.

Leaders of the 6,500 miners in Lancashire yesterday reversed a 2-1 vote against strike action in the coalfield and called them out from next Monday. Representatives of 7,000 open-cast miners at 54 sites around Britain decided that coal should not be moved from the pithead.

The National Coal Board (NCB) said that 37 pits were still working last night, three more than on the previous evening. However, it is clear that militant miners from Yorkshire, South Wales, North Derbyshire and Kent are mounting an all-out effort to close the collieries which remain open.

These are mostly in the Nottinghamshire and other smaller East Midlands fields. Up to 100 pickets were at many Nottinghamshire pits yesterday and a number of arrests were made.

Yorkshire miners complained that police had broken car windscreens of pickets on their way to the collieries. A Nottingham police spokesman said that there had been forcible entry of only one car. The passengers had locked themselves in the car and refused to move it.

Mr Jim Colgan, the Midlands secretary of the NUM, said that picketing was good-humoured when there was only a small number of police present, but violence broke out when there was a large police presence.

The NUM leadership is almost certain not to call a special meeting of the 24-man executive before the next scheduled meeting on April 12. If by then all the coalfields are closed, the left leadership will press strongly for national control of the strike and for appeals for support from other unions.

The NCB believes that 13 or 14 members of the executive are in favour of a national ballot vote on strike action.

Employers link with TUC over investment

BY OUR INDUSTRIAL EDITOR

THE GOVERNMENT will face a late spring offensive from both the Confederation of British Industry (CBI) and the Trades Union Congress (TUC) aimed at prompting a major expansion of public expenditure on capital projects.

The two bodies are working in parallel on sets of proposals which will identify specific public sector investments in roadbuilding, bridge building, sewage repair and other large projects. Both are using their regional structures to report on which projects should take priority, and both are concerned to make detailed costings and – in the CBI's case – to demonstrate to the Treasury that these will produce an adequate rate of return.

The timing and style of the two sets of proposals is aimed at putting the Government under strong pressure to concede part of their common case, that infrastructural investment is badly needed, because many roads, bridges and sewers are badly in need of modernisation and because such projects will generate large numbers of jobs.

They will be submitted to Government as the Public Expenditure Survey Committee, the Whitehall mechanism for determining spending priorities, begins its annual settling for 1985.

The CBI's proposals will be issued in May and are intended to promote a wide debate between Government and the various industrial sectors on the nature and scale of the projects. CBI officials see the exercise as part of the process of identifying where the jobs are to come from now being undertaken by the National Economic Development Council (NEDC).

Optimists in both organisations view the paper – to which much importance is attached – as one element in the process of wooing the unions back to the NEDC forum, which they are presently boycotting. Agreement on an investment/jobs package could be presented as an attractive bait for a resumption of full membership.

The main point of difference between the two – which neither is concerned to stress – is that the CBI sees public investment pre-empting public current expenditure, especially on administrative jobs in the public sector, while the TUC would pay for the projects by extra borrowing.

Merrill Lynch, Wedd Durlacher settle dispute

By John Moore

MERRILL Lynch, the U.S. financial service group, and Wedd Durlacher, Mordaunt, the UK's largest stockjobber or market maker, have settled a $12m (£8.4m) legal dispute.

Merrill Lynch had started legal action against Wedd Durlacher last November alleging that Wedd assisted a failed Panamanian investment company, C and R Pastor Securities, to engage in fraudulent schemes to manipulate the market in certain securities listed in New York.

In a statement issued yesterday by both Merrill Lynch and Wedd Durlacher, both sides said that they had agreed to discontinue the legal proceedings.

"Both parties feel that such proceedings are not in their best long-term commercial interest," the statement said.

Thatcher says industry well placed to expand

BY KEVIN BROWN, PARLIAMENTARY STAFF

INDUSTRY was in the best position for years to expand and create new jobs, Mrs Margaret Thatcher, the Prime Minister, claimed in the House of Commons yesterday.

Mrs Thatcher insisted that economic recovery was sustainable and repeatedly praised the budget introduced last week by Mr Nigel Lawson, the Chancellor of the Exchequer.

The Prime Minister said low inflation and the budget left industry "better placed to recover and make good profits and be able to expand to give new jobs than it has been for a very long time."

She added: "I believe that the economy is sustainable and we have given a tremendous boost to jobs by taking off the national insurance surcharge, that terrible tax on jobs put on by the last Labour Government."

Mr John Ward, a Conservative MP, said hundreds of new jobs had been created in recent weeks in the high technology industries. "Does this not further demonstrate that economic recovery is surely under way?" he asked.

Mrs Thatcher said the latest figures showed that Britain's gross domestic product had grown by more than 3 per cent in 1983.

She praised the multinational computer company Commodore for its plans to build a factory employing 1,000 people in Corby, the former steel town in the English Midlands. The Corby factory, she said, would be the largest microcomputer plant in Europe.

Mr Don Dixon, a Labour MP, said the number of long-term unemployed had risen from 375,000 in May 1981 to almost 1.2m, representing 40 per cent of total unemployment.

He said 600,000 people had been unemployed for more than two years and 300,000 for more than three years. Around 575,000 people unemployed were aged 50 or over, with little prospect of getting a job.

"When is the Government going to recognise the plight of these people and extend long-term supplementary benefit to them?" he asked.

Mrs Thatcher told him: "The Government are of course aware of the arguments for extending long-term supplementary benefit. However, the cost is estimated at £480m, and on these grounds alone it has to be ruled out at present."

Officials said later that extending long-term benefit to all those unemployed for more than a year would affect 800,000 people. A married couple would gain £11.05 a week and a single worker £7.30.

● Mrs Thatcher yesterday made clear that she does not intend to appear before the all-party Commons committee on member's interests to answer questions about her role in winning a £300m Oman construction contract for Britain. Her son Mr Mark Thatcher was employed as a consultant by Cementation, the UK company which won the contract.

Mr Max Madden, a Labour MP, asked the Prime Minister if she expected to give evidence "shortly" to the committee. Mrs Thatcher replied: "No."

Mr Bernard Weatherill, the Speaker (chairman), agreed to a request by another Labour MP to investigate the committee's powers to compel MPs to attend.

SALES VOLUMES CONTINUE AT HIGH LEVEL

Distributive trades stay buoyant

DISTRIBUTIVE TRADES are continuing to report buoyant trading conditions, according to the latest Confederation of British Industry / FT survey of the industry published yesterday, Max Wilkinson, Economics Correspondent, writes.

Results for the eighth monthly survey and the third quarterly questionnaire for February also suggested that sales volumes would continue to be high this month.

The survey is based on replies from 649 retailers, wholesalers and motor traders, the highest response to the survey so far.

The results for the motor trading sector, however, which show a decline in sales volume for six consecutive months, appear to be at odds with evidence from published data.

The CBI believes the 39 respondents to this part of the survey might not represent an accurate sample of the trade. The survey might therefore be reflecting a decline in market share by some companies without fully recording the increase achieved by other companies.

Efforts are being made to extend the coverage of this sector. Meanwhile it has been decided to omit the results for the motor trades.

For the rest of the distributive trades the survey appears to show a consistent picture which tallies well with data from other sources. On a number of occasions the resuts for the retailing sector have accurately predicted the next official set of figures.

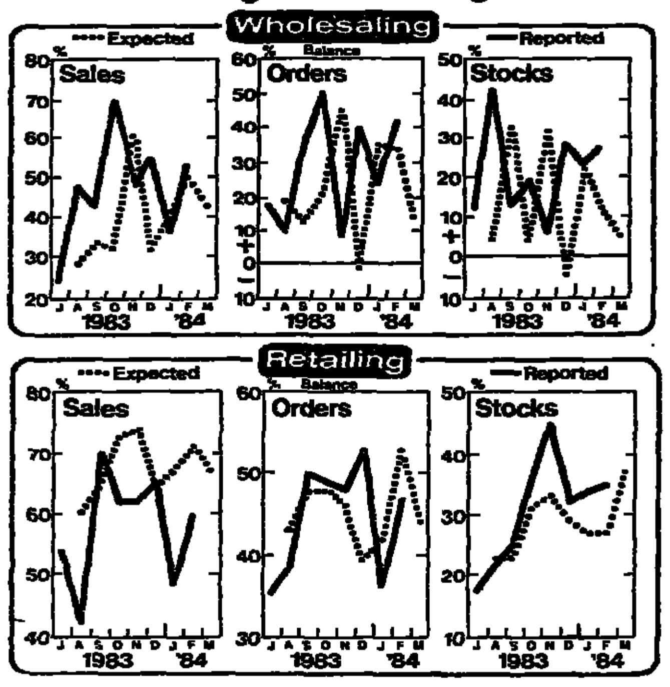
This month's survey suggests that the sector is considerably more optimistic about prospects than it was a year ago, with a balance of about 20 per cent expecting to authorise more capital expenditure than a year ago. There also appears to be a tendency to employ more people, particularly in retailing.

A balance of about three quarters of retailers and rather more than half of wholesalers is expecting to increase prices next month. The CBI believes, however, that other data suggests this result implies widespread small price increases rather than a substantial increase in inflationary pressure.

In both retailing and wholesaling the quarterly surveys suggest a rise in import penetration, which tallies with the official figures showing a 7 per cent rise in the volume of imports of non-oil goods last year.

Most categories of retailers have reported a rise in import penetration, although the increase in the year to February was slightly less than was reported in the November quarterly survey. The specialist food, clothing and durable goods sectors of the retail trade, however, reported a slight fall in import penetration.

In the wholesaling sector there has been a steady increase in the proportion of companies reporting that stocks were too high in relation to expected sales.



CAA still considering Virgin's application

By Michael Donne, Aerospace Correspondent

VIRGIN ATLANTIC Airways, the new transatlantic airline, expects to hear next week from the Civil Aviation Authority whether it has been awarded a licence for cheap fare fights between London and New York.

The airline, formerly British Atlantic Airways, had hoped to be given a licence in time for an early summer start to flights, with an introductory fare of £99 single.

A decision was expected this week, but the CAA has decided that it needs more time to consider the situation.

Virgin Atlantic was created as British Atlantic by Mr Randolph Fields. The name changed earlier this year when the Virgin Records group, headed by Mr Richard Branson, acquired a majority stake in the airline, for a reputed £1m-plus.

The aim is to compete with the existing U.S. airline, People Express, on the route between Gatwick and Newark.

British Caledonian Airways, the independent UK operator, has objected to the Virgin Atlantic plans. It intends to resume North Atlantic flights to Kennedy Airport, New York, from Gatwick, in 1985.

BCal has said it would be prepared to operate with an initial fare as low as £50 single, but Virgin's response has been to suggest that in such a case, it would offer its cheapest seats at £45 single.

The Civil Aviation Authority is privately understood to be unhappy about this type of public "bargain basement fare auctioning," before licences have even been issued.

Foreign chambers of commerce protest at tax change

BY CHARLES BATCHELOR

LEADING foreign chambers of commerce in Britain are to press Mr Nigel Lawson, the Chancellor of the Exchequer, to withdraw or modify plans to scrap income tax advantages enjoyed by foreign businessmen working in the UK. The plans were announced in last week's budget.

The Council of Foreign Chambers of Commerce in the UK, which groups U.S., Japanese, Brazilian, continental European and Scandinavian chambers, claims that the abrupt change in the tax regime is unfair. It says that British tax rates are high by international standards.

The costs of living in the UK for most foreign employees of overseas companies, the council says, are higher than the corresponding costs in many other countries.

It has expressed its concern at the plan, also announced in the budget, to speed up the collection of value-added tax on imports into the UK from October 1, 1984. "This measure will represent a considerable financial burden to all companies importing goods and create severe cash-flow problems," it said this week.

The council argued that the change might jeopardize efforts to promote inward investment and the continued presence of many foreign companies in the UK.

The Chancellor's income tax plan involves the abolition of the 50 per cent tax relief available on foreign earnings. When the employee has been in the UK for nine years, relief falls to 25 per cent.

The relief will be phased out completely over five years and it is not available at all for anyone who has arrived in the UK since budget day on March 13.

The council said it intended to make a written submission to the Chancellor expressing its "very great concern" at the change. Foreign companies had based their UK investment plans on the assumption that income tax treatment would not be changed, at least without an adequate period of notice.

"The council cannot share the Chancellor's view that the need for granting continued tax relief has disappeared, in particular as it was given as compensation for the additional financial burden incurred," it said.

Dellsher forms commodities link in UK

By Mary Ann Sieghart

WOODHOUSE, Drake & Carey, the UK commodities group, has announced an exclusive link-up with Dellsher Investment, the U.S. financial futures firm.

Under the arrangement, Woodhouse will transact business for Dellsher's U.S. clients on the London International Financial Futures Exchange (Liffe), while Dellsher will give Woodhouse's clients access to the two big Chicago financial futures markets – the International Monetary Market and the Chicago Board of Trade.

Mr Leo Melamed, who controls Dellsher, said: "These markets are global in application and, therefore, demand business links such as this one to facilitate access and service. It is a most desirable linkup."

UK NEWS

Scientists want extra £98m for research

BY DAVID FISHLOCK, SCIENCE EDITOR

BRITAIN's science advisers are asking the Government for an extra £98m for key areas of basic research they say are in danger of languishing in laboratories unless they get more support.

Some under-funded but scientifically exciting areas, they say, include medical scanners for diagnosing diseases, biotechnology for the food and agriculture industries, advanced manufacturing technology, and satellite surveillance of the earth's resources.

The Advisory Board for Research Councils has spelt out the scientific opportunities it believes Britain is in danger of losing, in a report to Sir Keith Joseph, Secretary of State for Science and Education.

The extra money proposed would be spread over three years and would represent a 4 per cent increase in 1984-85, rising to 7.5 per cent in 1986-87.

The board is headed by Sir David Phillips, professor of molecular biophysics at Oxford University. It points out that Britain's main competitors in world markets plan to make bigger increases in basic research funding – France by 18 per cent, the U.S. by 8 per cent and West Germany by 5 per cent.

The board includes Dr Robin Nicholson, the Government's chief scientist, and Sir Henry Chilver, chief technologist, as well as the heads of the five research councils, the chief scientists of several Government departments, and four top scientists and engineers from industry.

The board's main proposals for extra cash to fund what it sees as priority areas for basic research can be summarised in six main sectors:

- **Application of advanced technology to manufacturing engineering.** The Science and Engineering Research Council (SERC) wants to set up a new directorate – analogous to the Alvey Directorate for "supercomputers" – to enlarge the scope of its present research programmes on robotics, numerical control, and the efficiency of production systems. It puts the total cost of this programme over five years at £28m.
- **Food and nutrition.** The Agriculture and Food Research Council wants to set up a new directorate for the processing engineering, microbiology and biotechnology of food. It puts the cost at £14.5m over three years, plus £1m to establish the directorate and possibly capital expenditure of £2m-4m.
- **Spectroscopy in space.** The SERC wants to initiate a new international venture aimed at making the first detailed spectroscopic measurements of cosmic X-ray sources. It proposes that Britain should take the lead in a new research satellite project for launch in the late 1980s and puts the total cost to the UK of a six-year programme at £30m.
- **Neurosciences and diagnostic imaging.** Neurosciences already form a large part of the research programme of the Medical Research Council, costing about £20m (18 per cent) at present. It has identified growth points thought to show particular promise, such as the role of neuro-transmitters in neurological and psychiatric diseases, and proposes an extra £400,000 a year for this support.

In diagnostic imaging, it wants to replace its ageing cyclotron at the Hammersmith Hospital, London, "by a more powerful and reliable machine, at a cost of around £1.5m."

- **Biotechnology.** The board supports proposals from the Agriculture and Food Research Council for more "underpinning research" to provide better understanding of plant biology, chemistry and physiology. Over three years, the cost is put at £8m. But the AFRC proposal and another from the Natural Environment Research Council may form part of a co-ordinated biotechnology programme being discussed by the research councils.
- **Environment research.** This spans such fields as remote sensing, atmospheric components, marine sciences and deep geology. The Natural Environment Research Council (NERC) estimates the total cost of proposals at £21m. The board accepts the need for more research, "particularly in the fields of remote sensing (with an emphasis on the surface of the seas rather than that of the land) and atmospheric chemistry." It supports NERC having an extra £12m over three years.

Scientific opportunities and the science budget 1983. Published by the Department of Education and Science, Elizabeth House, York Road, London SE1 7PH.

PRIORITIES FOR BRITAIN'S SCIENCE BUDGET (£m)

	1984-85	1985-86	1986-87
Present budget	549.0	573.0	588.9
Total increases requested	22.0	33.0	43.0
Main additions proposed:			
1 Application of advanced technology to manufacture	4.0	5.0	6.0
2 Food/nutrition	4.0	6.5	8.0
3 Space, X-ray astronomy	2.0	5.0	5.5
4 Medical research (including diagnostic imaging)	2.3	2.3	2.3
5 Biotechnology	1.0	2.0	3.0
6 Environment research (including remote sensing)	3.0	4.0	5.0

FT writers named in awards

BY FINANCIAL TIMES REPORTER

SEVEN Financial Times journalists have been named in the British Press Awards for 1983, announced today.

Philip Bassett, FT labour correspondent, was named reporter of the year for his account of the dispute last summer which prevented publication of the newspaper for 10 weeks.

The judges said his coverage of the strike was "based on the careful research and deep understanding of industrial problems that characterise all his work. It was a model of its kind." Mr Bassett, John Lloyd, the FT industrial editor and David Goodhart, labour reporter, received commendations in this section.

The journalist of the year award went to Robert Fisk of The Times for his reports from the Lebanon. "He writes day after day with a sense of tension and compassion as if he was observing it all for the first time," the judges said.

Mary Ann Sieghart of the FT was commended in the young journalist of the year section for her coverage of the Eurobond market. Three other FT writers received commendations: Samuel Brittan in the columnist of the year section; Christopher Dunkley for television criticism and Jurek Martin for his reporting from Tokyo.

The awards are organised by Mirror Group Newspapers in collaboration with other newspaper groups.

طبق الأصل

"Of course The Economist isn't elitist. Nearly every Company Chairman I know seems to read it."

J. E. Aisher,
Marley plc.
D. I. Allport,
Metal Box plc.
John D. Ambler,
Texaco Ltd.
D. V. Atterton,
Foseco Minsep plc.
E. G. Beaumont,
Bunzl plc.
J. M. Beckett,
F. W. Woolworth plc.
H. P. N. Benson CBE, MC,
Davy Corporation.
Sir Austin Bide,
BL Public Limited Company.
M. G. Bird,
Massey-Ferguson Holdings Ltd.
The Lord Blakenham,
S. Pearson & Son plc.
H. K. Bowden,
Conoco Ltd.
Nigel Broackes,
Trafalgar House plc.
Sir Adrian Cadbury,
Cadbury Schweppes plc.
Michael H. Caine,
Booker McConnell plc.
J. S. Camm,
DRG plc.
S. G. Cameron,
Gallaher Ltd.
The Rt. Hon. the Lord Carrington CH, KCMG, MC,
The General Electric Company plc.
The Lord Cayzer,
British & Commonwealth Shipping.
C. J. Chetwood,
George Wimpey plc.
Trevor E. Chinn,
Lex Service plc.
J. Daniel Clark,
C & J Clark Ltd.
Sir Robert Clark,
Hill Samuel Group plc.
Sir James Cleminson,
Reckitt & Colman plc.
W. D. Coats,
Coats Patons plc.
Basil E. S. Collins,
Nabisco Brands Ltd.
John Collyear,
AE plc.
Sir Terence Conran,
Habitat/Mothercare plc.
Gilbert A. Cooke,
C. T. Bowring & Co. Ltd.
Sir Kenneth Corfield,
Standard Telephones and Cables plc.
Sir John Cuckney,
Brooke Bond Group plc.

Sir Alan Dalton,
English China Clays plc.
Kenneth Dixon,
Rowntree Mackintosh plc.
Sir James Duncan,
Transport Development Group plc.
Sir William Duncan,
Rolls-Royce Ltd.
P. P. Dunkley MC,
Mitchell Cotts Group.
K. Durham,
Unilever plc.
Basil de Ferranti,
Ferranti plc.
F. G. Flood,
BPB Industries plc.
John Fleming,
Vauxhall Motors Ltd.
A. W. Forster,
Esso UK plc.
The Lord Forte,
Trusthouse Forte.
David Gestetner,
Gestetner Holdings plc.
Sir Arnold Hall,
Hawker Siddeley Group plc.
J. O. Hambro,
Charter Consolidated.
The Lord Hanson,
Hanson Trust.
J. H. Harvey-Jones MBE,
Imperial Chemical Industries plc.
H. J. Heinz II,
H. J. Heinz Co.
H. R. Hewitt,
Johnson Matthey plc.
Sir Maurice Hodgson,
British Home Stores plc.
C. A. Hogg,
Courtaulds plc.
L. J. Holliday,
John Laing plc.
The Viscount Hood,
Petrofina UK Ltd.
Simon Hornby,
W. H. Smith & Son Ltd.
Nicholas Horsley,
Northern Foods plc.
Sir Alex Jarratt CB,
Reed International plc.
G. C. Kent,
Imperial Group plc.
The Lord King of Wartnaby,
Babcock International plc.
Sir Christophor Laidlaw,
ICL plc.
Sir Hector Laing,
United Biscuits plc.
J. G. S. Longcroft,
Tricentrol plc.

Sir Ronald McIntosh KCB,
APV Holdings plc.
Sir Patrick Meaney,
The Rank Organisation plc.
John M. Menzies,
John Menzies plc.
W. N. Menzies-Wilson,
Ocean Transport & Trading plc.
John Milne,
Blue Circle Industries plc.
R. Milner,
Kodak Ltd.
N. M. Mischler,
Hoechst UK Ltd.
D. A. G. Monk,
The Dee Corporation plc.
C. E. Needham,
Coalite Group plc.
Sir David Nicolson F. Eng., MEP,
Rothmans International plc.
D. W. Nickson CBE,
Scottish & Newcastle Breweries plc.
Sir Edwin Nixon,
IBM United Kingdom Ltd.
Sir David Orr,
Inchcape plc.
H. Orr-Ewing,
Rank Xerox Ltd.
Sir Austin Pearce CBE,
British Aerospace plc.
D. C. F. Pearson,
Gill & Duffus Group plc.
The Lord Pennock,
BICC plc.
A. R. Pilkington,
Pilkington Brothers plc.
Sir Leslie Porter,
Tesco plc.
Sir Montague Prichard,
Tozer Kemsley & Millbourn (Holdings) plc.
R. G. Puttick,
Taylor Woodrow Group.
W. M. Pybus,
AAH Holdings plc.
John M. Raisman,
Shell UK (Marketing Organisation).
Ken Roberts,
Norcros plc.
Sir John Russell,
Elf Aquitaine UK (Holdings) Ltd.
Sir John Sainsbury,
J. Sainsbury plc.
The Viscount Sandon T.D.,
Powell Duffryn plc.
The Rt. Hon. Lord Duncan Sandys,
Lonrho plc.
Ernest W. Saunders,
Guinness Brewing Worldwide.

A. P. Schenk,
C. Czarnikow Ltd.
A. T. Shadforth,
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Eric Sharp CBE,
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The Economist

FT BUSINESS LAW REPORTS

Why there is need for microelectronics law

THE EXISTENCE of the "information revolution" has now been generally accepted. What is more, the Government has had a change of heart and promised £120m a year up to 1990 in support of microelectronics.

It would have cost a tiny fraction of this subsidy to draft legislation which would assure protection of computer software – programs and data banks – and thus establish investors' confidence in an industry which, according to present estimates, will need about £1bn to catch up with the U.S. and Japan.

It is unbelievable, but a fact, that in 1984 the British computer industry, programmers and data bank compilers cannot rely on any statutory or judge-made law to protect them against stealing and counterfeiting of software, whether by deliberate organised copying or innocent lending of products for copying to friends and associates.

They clutch at straws hoping that a bit of copyright here and of a licensing contract there, with the law against abuse of confidence thrown in, might help; but there are no decided cases to show that it would, and how, and to what degree.

In any case, to provide some safety for a fast-growing industry there is hardly time to wait for a judicial development of the law. Legislation is urgently needed.

This seems to be the view of the computer-law reform sub-committee of the Society of Conservative Lawyers, who circulated last week a useful paper on computer law reform, stating that "foreign court decisions have accelerated the need for change and there is an overwhelming case for immediate and new legislation."

Although the paper understandably contains more questions than answers, it comes down firmly in favour of the Whitford Committee's proposals, followed by a Government Green Paper* that the protection should be provided by expanded copyright law.

The Whitford Committee reported in 1977, one year after the U.S. Copyright Act explicitly extended protection to modern technology.

No doubt, the U.S. example was persuasive at that time. However, since 1977 the complexity of information technology has become much more obvious, and it is at least questionable whether the British copyright law which, unlike that of the U.S., does not rely on registration of the protected works, would be a suitable instrument for this purpose.

The present Copyright Act 1956 was drafted at the beginning of the computer age, but contains no reference to computer programs. To re-draft it so as to bring information technology under its roof might require doing violence to concepts which were developed for quite a different purpose.

The difficulty of marrying program protection with the established copyright becomes evident as soon as one attempts to squeeze programs into the category of literary works protected by copyright. Far from being literature in the narrower meaning of the word the program in its final form is not written in a human language.

Indeed, it is translated from human language into a "language" understandable to the computer by means of a "compiler," that is a program devised especially for this purpose.

Although it may be recorded on a medium capable of recording human language – a tape or a disk – it may also be burnt into a chip or micro-chip. Unlike a novel which, once published, does not react to criticism (except by remaining unsold), some computer programs can be further adjusted or are self-improving or self adjusting.

It is equally difficult to transpose the concept of "author," as we know it from copyright law, to computer software. While the author of a literal work is typically a single person, the authorship of computer software is a collective effort.

This encompasses not only the process of notation from the first step in human language, but also the gradual building up of new programs by altering old ones or adding to them.

Some programs are sold to provide building blocks from which the user can construct his own edifice. Then there is the basic program of the machine, its "operating system," which predetermines how the machine interprets instructions by selecting disks, moving reading heads, finding blocks of data, and selecting the target records – is it a "literary work" suitable for copyright protection, of rather part of a machine suitable for patent protection?

Whatever it is from the legal point of view, the operating system may cost many millions of pounds to develop, and such investments will hardly be stimulated by leaving the development of protection to the hazards of the judicial process.

The latest trend seems to be towards programs which are becoming a part of the hardware, and are not only capable of conversion for special tasks, but also of achieving such conversion by themselves as a result of commands which have been built into them.

A generalised program of this type contains within itself a multitude of possible programs, so that the relationship between the source and the final machine code is blurred and it is not all all clear how many people participating in the process could claim authorship, and still less how their share could be apportioned.

Some programs are capable of becoming authors themselves, whether used by architects or by music synthesisers. Who will then have the authorship in law: the authors of the programs, its users who provided data for the machine to calculate the stability of a building or to compose a symphony – or, as the Green Paper suggests, the person who ran the data through the programmed computer?

Finally, what should one do with the notion of copying and infringement of the physical copying of a tape, cartridge, disk or microchip, or rather any use of the program by a person who did not pay for it?

The lending of a book to a friend is not all a good comparison because if you lend a book you cannot have it on your shelf at the same time, but a program can be made available anywhere, not only on this earth but also on satellites, by means of electronic signals, without the original ever leaving your office.

The conclusion may well be that any unauthorised running of a program, whether for purposes of final application or for the building up of other programs, would require protection.

Some of the enormously expensive data banks, for example, those for the retrieval of legal information, create a monopoly situation for their owners, and as the computer-law reform sub-committee rightly points out, it would be against the public interest to leave such monopoly unrestricted if its holder behaved unreasonably: there should be the power to impose some form of compulsory licensing.

"The way in which sheet music is subject to compulsory licensing with a standard royalty may provide guidance," the committee says. From this there seems to be only a short step to a "programers' protection society" on the model of a performing rights society, with the attendant complaints that money is not properly distributed and that the society is infringing the EEC rules of competition.

Clearly there are many difficult problems to solve, but it may be quicker and easier to solve them when starting from scratch instead of torturing the Copyright Act to meet the needs for which it was not intended.

**Reform of the Law relating to Copyright. Designs and Performers' Protection, Command 8302; £4.35*

By A. H. Hermann
Legal Correspondent

Judge in soya bean dispute accuses litigants of falsity

BY RAYMOND HUGHES, LAW COURTS CORRESPONDENT

FALSITY and disreputable business dealings appeared to be a feature of both sides of a dispute between a West German company and an international entrepreneur, the Court of Appeal in London has decided.

The court gave Dr Shrian Oskar unconditional leave to defend a claim for DM 5.9m (£1.56m) and $1.3m ($909,000) brought against him by Extraktionstechnik Gesellschaft für Anlagenbau (Exteck).

A High Court order that Dr Oskar could defend the case only if he paid £75,000 into court was overturned, as was a summary judgment obtained by Exteck.

Lord Justice Watkins said it was a classic case for giving unconditional leave to defend. Both parties appeared to have ammunition capable of inflicting serious wounds. Justice could only be done by having the dispute resolved in a contested court action.

The litigation was intricate and possibly unsavoury, the judge said. The frankness of both sides was open to question.

Exteck's claim against Dr Oskar was founded on two dishonoured cheques for DM 1.5m an $1.3m and an unpaid DM 4.4m loan.

The dispute arose from two projects the company entered into with Dr Oskar for soya bean extraction plants in Ireland and New Zealand.

Exteck contended that Dr Oskar had provided the cheques as security for guarantees given by Exteck's bank to back guarantees by Dr Oskar's bank.

Lord Justice Watkins said the evidence indicated that there might have been something "downright illegal" in dealings between Exteck and Dr Oskar, who denied owing the company anything.

Dr Oskar alleged that the costs of the projects had been grossly inflated to obtain higher investment grants from the Irish and New Zealand governments.

He also asserted that Exteck had never expected him to honour the cheques, which had been written only to satisfy the company's auditors.

Exteck described Dr Oskar's account as a farrago of nonsense and a tangled tissue of lies. It also accused him of forgery.

Lord Justice Watkins said that the High Courts, in giving Dr Oskar only conditional leave to defend, had given far too little weight to the gravity of the accusations of illegality he had made against Exteck.

Banks defeat attempt to freeze $18m assets

BY OUR LAW COURTS CORRESPONDENT

FIVE LONDON banks have defeated an attempt to freeze about $18m of Egyptian government assets they are holding.

A move to attach the bank accounts had been made by SPP (Middle East), which has been awarded $12.5m at a Paris arbitration of a dispute over a joint venture to create an international tourist complex in Egypt.

SPP (Middle East) obtained a temporary order from the Commercial Court, in London but the court reversed its decision after hearing representations from the banks involved – the National Bank of Egypt, Lloyds Bank, Lloyds Bank International, Midland Bank and Ubaf Bank.

The company subsequently failed to obtain an order from the Court of Appeal.

SPP (Middle East) is a subsidiary of Southern Pacific Properties, which operates resort facilities and hotels throughout the South Pacific.

In the 1970s the SPP companies entered into a joint venture with the Egyptian Government and the Egyptian General Company for Tourism and Hotels (Egoth). Egoth was to subscribe 40 per cent of the joint venture company and SPP (Middle East) 60 per cent.

The plan was to build an international residential resort with a wide range of cultural and recreational facilities, to be named the Pyramids Oasis.

By the end of 1978, opposition to the project had developed in the Egyptian People's Assembly, which resulted in the Government cancelling it.

SPP (Middle East) took the matter to arbitration and was awarded $12.5m damages, with interest, and $730,784 legal costs. The arbitrators rejected the Egyptian Government's contention that it had not been a party to the joint venture agreement.

But they held that the Government had defended the project as much as had been politically feasible before issuing decrees cancelling it.

For that reason the arbitrators limited the compensation to $12.5m – SPP (Middle East) having claimed $42.5m. The Egyptians are to appeal against the award made at an International Chamber of Commerce arbitration in Paris in February last year.

THE PROPERTY MARKET BY MICHAEL CASSELL

Quotation possible for Olympia & York

OLYMPIA & YORK Developments one of the world's largest private property developers, could eventually go public, according to one of the three brothers who own and run the group.

Manhattan's biggest landlord and the owner of English Property Corporation in the UK, Olympia & York has always said a flotation did not form part of its plans.

But the tantalising prospect of a stock exchange listing for an international, rapidly diversifying group with estimated assets worth over $12bn is now being held out by Paul Reichman, Olympia & York's chief strategist.

The Toronto-based group this week closed a $970m floating rate mortgage secured on three of its Manhattan office buildings—237 Park Avenue, 1290 Avenue of the Americas, and 2 Broadway.

The mortgage forms part of a refinancing package aimed at removing all of the group's long-term debt from its balance-sheet. By the end of this year Olympia & York says it expects to have raised about $3bn of long-term debt, but on a non-recourse basis.

About half the sum raised will be used to refinance existing debt but the remainder will be available for new projects and acquisitions, according to Reichman.

Olympia and York has been steadily diversifying away from real estate—it owns 93 per cent of Abitibi-Price, the newsprint manufacturer and has made a bid for Gulf Oil's Canadian subsidiary. Reichman says the continuing trend might involve an offer of common stock. "It could very well happen at some point," he suggests. The group acquired English Property Corporation for £58m in 1979 in order to get its hands on a stake in Trizec, the Canadian property group.

In New York, Olympia and York is currently developing the 6m square feet World Financial Centre in Lower Manhattan and it is believed that Merrill Lynch might be taking anything up to 4m square feet of the floorspace in what would be one of the largest single lettings ever recorded.

● A record total of 770,000 sq ft of office space was let during February in the EC1-4 postal districts, according to agents Debenham Tewson and Chinnocks. The figure more than trebled the January total and the 1983 monthly average.

Tide turns against Thames plan

GREYCOAT COMMERCIAL Estates appears to have run out of time and enthusiasm in its marathon attempt to embark upon one of London's most ambitious redevelopment schemes.

Its efforts to redevelop the so-called Coin Street site on 13 acres of largely derelict land between Blackfriars and Waterloo bridges form part of a South Bank saga which seems to have been running as long as the Thames itself.

But the joint proposals put forward by Greycoat Estates and Commercial Properties—representing the Vestey family interests which own some of the land in question—to create a 1m sq ft mix of commercial, residential and recreational space may well finally have run aground.

All the parties involved refused to be drawn this week, but it appears that, instead of working towards a land purchase agreement with the Greater London Council, which would have given the development partnership full site ownership, Greycoat Commercial *could be on the brink of selling* out its own land interests to the GLC.

The decision, if it goes through, will be hailed as a great victory for the community groups which have fought every commercial scheme proposed for the site over the past 15 years. Their own proposals for the site, involving a blend of light industrial, shopping and residential space, were approved in December 1982, at the same time as the Greycoat Commercial scheme was given the go-ahead.

The withdrawal might be the source of some disappointment for the developers, but it could also prove to be something of a relief. Their earlier resolve has more lately given way to doubts about the viability of a large commercial scheme in this particular location and any reservations must have been heightened by the start of work on the nearby £350m St Martins Group scheme.

Greycoat Commercial controls about 6½ acres of the Coin Street site through a mix of freehold and leasehold interests. Under a controversial deal signed weeks before the Conservative-controlled GLC left office in 1981, the developers acquired an option to buy the remainder of the site—owned by the GLC—providing it met certain conditions within a three-year deadline.

But it appears that several of those conditions have not been met and that Greycoat Commercial is ready to call it a day. *Certainly* Greycoat's enthusiasm for the scheme may well have waned, given its recent success in picking up the huge Liverpool Street redevelopment project, which it will carry out with Stuart Lipton's Stanhope Securities. It also has the second phase of the Victoria Station complex *in the pipeline.*

Among the conditions unlikely to be met by the April 14 deadline is the securing of listed building consent to demolish some of the remaining properties on the site. An application has been submitted but it has not yet been determined.

Road closures, the subject of a recent public inquiry, are also necessary if the development is to go ahead and an order to shut them is unlikely to be forthcoming in time.

In addition, Greycoat Commercial had to assemble ownership of all the site and, although a deal could possibly have been done at the last moment, Guardian Royal Exchange still owns a small part of the land involved. Neither have the developers yet got Port of London Authority permission to build out into the river.

As for the alternative proposals, aggressively promoted by the Association of Waterloo Groups and supported by the GLC, Lambeth and Southwark councils, GLC ownership of the whole site would considerably enhance their chances of success.

The AWG, a local federation of social, amenity and community groups which has waged battle against the big developers, is being cagey about financing details but says it has agreement with all the authorities concerned over a development strategy. It seems clear, however, that the GLC would be expected to provide some finance, *while* private sector funds might be sought for the commercial content.

Arrowcroft sells out

ARROWCROFT has withdrawn its opposition to MEPC's rival plan to develop the Royal Priors shopping centre in the heart of Royal Leamington Spa.

MEPC's proposals are supported by Warwick District Council but a portion of the site involved is owned by Arrowcroft, the development group which failed to reach the short list of schemes.

Arrowcroft intended to appeal against the rejection of its plans but MEPC announced this week that an agreement had been reached, under which it would acquire all Arrowcroft's land holdings in the town.

Arrowcroft will withdraw its appeal, as well as its objections to a compulsory purchase order promoted by the council to develop the shopping centre in partnership with MEPC.

● Debenhams is to take 138,000 sq ft of floorspace in the 300,000 sq ft shopping scheme being developed in Culver Precinct, Colchester, by Carroll Group and Balfour Beatty.

● Henry Ansbacher Holdings, the merchant bankers, are paying close to £550,000 a year for NEM House, Mitre Square, London EC3. Hampton and Sons acted for National Employers Mutual in the 30,000 sq ft letting and St Quintin acted for the tenant.

UK funds in major Vancouver purchase

NORTHWEST FREEHOLDS, the property investment partnership run by Grosvenor International, has completed one of the biggest ever Canadian property deals involving British money.

The fund has paid C$101m for Vancouver Centre, the 800,000 sq ft office and shops complex in the heart of Vancouver. It was owned by the Bank of Nova Scotia and a local company.

One of several North American investment vehicles operated by Grosvenor in partnership with investing UK pension funds, Northwest is also negotiating for a Canadian regional shopping centre at a similar price. Membership of each fund varies but Northwest includes the pension funds of British Airways, British Rail, the British Broadcasting Corporation and Boots.

The Vancouver Centre is one of the city's prime buildings, set on the corner of West Georgia, the main banking street, and Granville, the principal shopping parade.

"It's like buying a 35-storey office tower from an owner-occupier in the City of London," says Neville Gibson, president of Grosvenor International, who is clearly proud of his prize.

There is unlikely to be a similar opportunity in the near future. The recession which, in the late 1970s, put pressure on the Bank of Nova Scotia has now eased and it was only the need to boost liquidity which prised the building from the bank's grasp.

Grosvenor's local knowledge—it has been based on the west coast as a developer since 1953—helped close the deal, which was not promoted on the open market.

"We do many of our deals without using agents, making direct contact with the owners," Gibson adds. Grosvenor takes a stake in its partnerships equal to those of the other participants.

Vancouver Centre income will be around C$8m a year. Full rental value—after reversions due in the next five years—has been estimated at around C$9.5m.

This is the biggest of several deals made since the Canadian investment vehicles were set up in 1981, reflecting a confidence in the country not always shown by individual pension fund managers. They have tended to prefer markets south of the border, where Grosvenor International controls another $600m worth of property through more investment partnerships.

"Anyone with negative views about the Canadian market is underestimating its strengths, even though the economy has been hit harder than in the U.S.," Gibson emphasises.

DAVID LAWSON

UK TEXTILES INDUSTRY

The pick-up that is not a hiccup

By Anthony Moreton, Textiles Correspondent

THE UK *textiles industry* has picked up over the past 15 months, after four years of the worst depression in its history. But many companies are apprehensive about reporting their success, because the buffeting has sapped confidence.

Many people in the industry are talking of the recovery petering out by the middle of this year. But the pick-up is not just a hiccup, because the UK industry, the first to go into depression in 1979, has become the first in Europe to emerge from it.

An inquiry just conducted by the British Clothing Industry Association has shown that nearly everyone is reporting better sales than a year ago, improved short-term prospects, stable employment, better use of capacity and reasonably good export prospects. Margins, however, remain tight.

The better showing is broadly based. Output of man-made fibres was nearly 10 per cent higher last year than in 1982, shoe manufacturers have been taking on workers, there has been a surge in demand for carpets, and the Retail Consortium reports that sales of clothes were 12 per cent higher by volume in the first nine months of last year compared with a year earlier.

There is less short-time working, more companies are reporting overtime, some skill shortages are emerging and companies are working closer to capacity. Most important, delivery dates are lengthening.

The National Union of Tailors and Garment Workers, one of the two big unions in the industry, has reported difficulty in finding workers in some parts of the country. This is despite the fact that by the end of last September, the cotton side of the industry was employing just under 31,000 workers compared with 70,000 five years earlier, while the woollen side was down to 29,500 compared with 47,000. Hosiery was down to 90,000 from 130,000.

At the depth of the depression, early in 1982, output of man-made fibres was well under half what it had been just five years earlier, cotton production had dropped by 46 per cent, carpets by 32 per cent, woollen and worsted goods by almost 30 per cent.

There are now only five main fibre manufacturers left, few printers or dyers and bleachers and a year ago, the last major finishing concern in Lancashire, Chadwicks, closed.

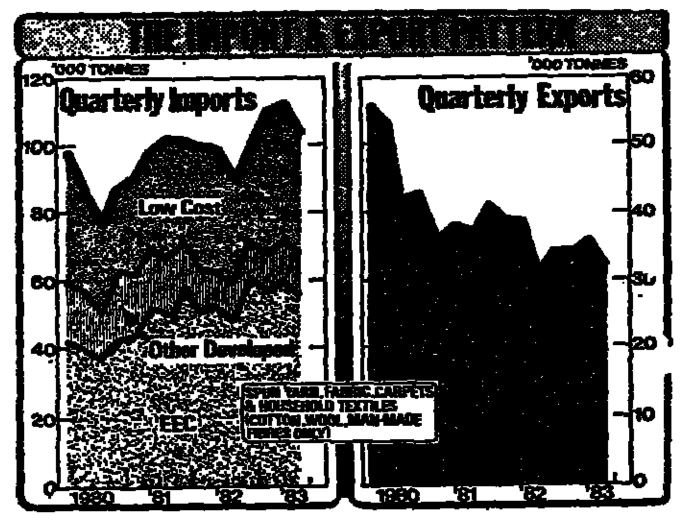
Eleven months ago the industry put forward a plan of action to secure its future. It sought not aid but an abatement on interest payments for five years to allow it to invest in machinery. So far, the Government has not responded to this approach.

Yet in those months, the recovery has begun. A few weeks ago, David Alliance took 160 middle-rank managers and trade-union officials to dinner at the Last Drop Inn, overlooking Bolton, and told them how well Vantona Viyella, of which he is chief executive, had done over the past year.

The company had been selling more of its Viyella and Van Heusen clothes, he told them, more of its Dorma and Horrockses sheets and towels. In the process, it was becoming more profitable and taking on more workers.

Others have repeated the message. Mr Christopher Hogg, chairman of Courtaulds, has presented a sharp upturn in profits and Mr Harry Djanogly, the publicity-shy head of Nottingham Manufacturing, a large supplier to Marks and Spencer, pushed profits up 13 per cent compared with a 9.5 per cent rise in turnover.

ICI Fibres, after many years in the red, produced a profit in the last quarter of 1983 and should be profitable this year.



On the textile production side of the business—the transition from raw material to the finished fabric—there has been a strong surge of imports. According to the British Textile Confederation, imports of fibres, yarns and fabrics were almost 19 per cent higher by value and 14 per cent higher by volume in the first nine months of last year compared with the same months of 1982.

Taking clothing together with textiles, Britain last year ran a balance of payments deficit of over £1.6bn.

Despite this growing deficit the British industry has over the past two or three years made enormous strides towards greater efficiency. Surplus capacity in the fibre industry has been cut out and productivity levels brought up to West German levels.

John Lister, chairman of ICI Fibres in Harrogate, says: "We have got our productivity right now and levels of output from our plants in Doncaster and Pontypool are virtually as good as those at our Ostringen works outside Heidelberg."

The industry has been helped by three factors in this surge towards greater competitiveness. First, there is increased productivity, stemming from getting manning levels right and from the installation of new machinery.

Second, the strong rise in the dollar has taken the edge off many Far Eastern prices, all of which are priced in the U.S. dollar.

Third, there is the renewed interest in the UK as a production base by the leading stores.

To a degree not matched anywhere else in the world, the UK's retail market is dominated by a small number of very large concerns — Great Universal Stores, Mothercare, Debenhams and the like. Their buying power is enormous and most of them have been accused with some justification of buying on price from the Far East rather than on quality from the UK.

That is changing. The strong dollar has helped, but so has the need for the stores to sell more fashionable clothes.

Both British Home Stores and Tesco have recently gone on record as saying they were committed to the UK industry, a sentiment others would support.

BHS said it was "almost a question now of whether we need to go to the Far East for some things" and Tesco has commented that "in some areas such as ladies wear we have almost ceased buying foreign-made clothes."

Figures produced by the clothing industry prove this. The number of garments entering Britain in 1983 was only 0.1 per cent higher than in 1982, whereas compared with 1980 there was a 9 per cent rise.

Self-help is the order of the day. Last March Sir Basil Feldman, energetic chairman of the clothing Little Neddy, held an exhibition at which he got 30 leading retailers to put on show the clothes they were buying from abroad and inviting British manufacturers along to see if they could not make them.

Orders worth over £10m were switched from overseas suppliers to British ones as a result of the Better Made in Britain exhibition. The show was so successful that a second one is to be held in London this October.

The figure £10m may not seem a lot in a trade deficit of around £1.6bn, but it is a step in the right direction and one which is encouraging the British industry. If the Government would make an equally encouraging move in response to the industry's plan for action, there could be an important multiplier effect and wipe out much of the nervousness about the future.

THE MANAGEMENT PAGE

EDITED BY CHRISTOPHER LORENZ

Britoil

Still trying to prove itself to the City

Dominic Lawson reports on the current demands and future pressures on Britain's largest independent oil company

THIS morning Britoil will unveil its results for 1983, the first year that Britain's largest independent oil company has spent in the private sector. That short perspective lends the occasion a frisson of novelty lacking in the usual routine of the annual company statement.

More than a frisson must have seized the management of Britoil in the wake of last week's Budget. The wholesale changes in corporation tax could have added back up to £70m in deferred tax provisions, to the £125m net profits expected by the stock market. But Britoil, model of accounting conservatism, is likely to be satisfied with net profits of £140m.

That would represent an improvement of over 28 per cent on 1982's result. But despite record profits and post budget rerating, the former production arm of BNOC still seems to have something to prove, at least as far as the City of London is concerned.

Some of this is undoubtedly due to the trauma of Britoil's flotation in November 1982. The City's top underwriters had been left with almost three quarters of the issue, and were soon showing paper losses that wiped out the underwriting profits of a decade.

Aside from that old grudge, oil analysts have strong reservations about the company's unusual management structure. Sir Philip Shelbourne, Britoil's urbane chairman, works in London at the company's 18th-century St James mansion, Stornaway House, in an elegant antique-furnished office. A black dog of uncertain pedigree, by the name of Brit, keeps him company there. Then there are two joint managing directors, Malcolm Ford and Ian Clark, based in Glasgow, at Britoil's head office. This is of course the wrong side of Scotland for Britain's biggest North Sea oil company but to the Labour Government in 1976 it had tangible political attractions.

The absence of a chief executive could appear even odder when the 59-year-old Sir Philip decides to retire. Sir Philip's main link with Glasgow is Roy Dantizc, the finance director. Shelbourne describes his relationship with Dantzic as one of "intellectual osmosis." But at the end of April Dantzic is leaving Britoil to sort out his family business. This could make Shelbourne's geographic isolation less sustainable, but he insists that "if something happens offshore, Malcolm Ford is on the phone to me. Our speed of reaction is quicker than some companies I could mention."

Malcolm Ford is the only member of Britoil's board with an oil industry background. A former Shell man, he spent the first 17 years of his life in Trinidad. He still has a marked Trinidadian accent, ending many sensences with a West Indian "man."

Dowry

His job naturally focuses on the UK continental shelf, where Britoil has more licence interests and a greater spread of acreage than any company, including BP and Shell.

Ford knows that Britoil's dowry of oil fields will ensure a steady production profile up to 1988. But if Britoil is not to be self liquidating its sheer size demands an aggressive exploration programme.

Malcolm Ford is setting Britoil's cap at the great unexplored waters west of Shetland and in the Rockall Trough. The notorious rig that has bedevilled the future of Scott Lithgow was meant to be Britoil's purpose-built vessel for exploring those hazardous frontier areas. Its two years delay anguished Ford. "It there's anything big left to be found on the UK shelf it's got to be West of Shetland. BP had Iran, Shell had Venezuela. Can we have Shetland?" he asks plaintively.

The 9th round of UK oil and gas licences will be offering exactly the kind of wild territory that Ford covets. Choosing a partner in such a risky oil province will be of more than usual importance. Shell has an acknowledged technical leadership in oil extraction from the UK continental shelf, and its long-standing partnership with Esso does not extend beyond the North Sea. Britoil would probably settle for one of these giants as a 9th-round partner.

What Ford wants to end is Britoil's exposure to small stakes in multi-company consortia. "We've got 95 partners in the North Sea. I don't want that any more. We're *the* British company. We should be looking for 50/50 set-ups."

Britoil plans to have the first oil from Shetland onshore in the late 1990s. The less risky, and more immediate, part of Britoil's corporate plan is expansion overseas. At the time of privatisation Britoil recognised the need to spread its base, and stated its aim of having 20 per cent of its reserves based in non-UK continental shelf oil provinces by 1990. That seemed an ambitious plan, and the feeling in the company *now* is that *it* represented a good target, which it will be very difficult to achieve.

The man in charge of Britoil's international expansion programme was once dubbed "the most hated man *in* the oil industry." That was when Ian Clark, a 44-year-old Scot, was chief executive of the Shetland Island Council. This devout man—a lay preacher for the Plymouth Brethren—extracted unheard of concessions from oil companies seeking to use Shetland as a supply and refining base for North Sea oil. Indeed Ian Clark became the inspiration *for* Bill Forsyth's film "Local Hero," which is centred around the Scottish oil industry.

Now Ian Clark's quietly formidable negotiating skills are used by Britoil in its attempts to wring the best deals from foreign oil companies and foreign governments. Ian Clark alleges: "No one in the oil industry will ever accept that I know much about the business. But having been on the other side of the table, I don't make the mistake of over-estimating the expertise of the oilmen."

In its time in the public sector, Britoil's moves abroad were unstructured, says Clark. "We had a very small team who thought the world was their oyster. But, spread so thin, we were purely reactive. We would have got a second best portfolio. People don't come to you with their best assets."

Britoil's overseas drive is now concentrated on three areas: contiguous to the UK continental shelf (Norway, Denmark, The Netherlands), the U.S., and the Far East.

In the first of those areas, Britoil seems to derive benefit from its past. Norway's dominating state-owned oil company, Statoil, evidently feels an affinity with Britoil's experiences. Norway is not renowned for welcoming new participants to its oil scene, but Britoil has just become involved in the Norweigian eighth round of licences, on its first application. Britoil's interest in North European acreage is in large measure based on its stable political background.

Arithmetic

The U.S. is a sine qua non for an oil company wanting a truly international profile, and for Britoil it represents a natural low risk, mature counterpoint to the high risk high reward Shetland area. Britoil's first step into the U.S. oil and gas scene took place a year ago, in a deal with Amerada Hess. Britoil thereby gained access to exploration prospects in North Dakota, Wyoming, Texas and Louisiana. Early this year Ian Clark was in Houston signing an $83m deal, acquiring oil and gas producing assets from Amax, the mining giant. Clark is keen to conclude another producing asset purchase of similar size in the U.S., most likely this year.

But Britoil has not joined the growing band of companies which prefer to buy other companies' oil, through takeovers, rather than find oil through exploration. Principles apart, Britoil's UK tax position as a big producer is such that it can offset its UK exploration at the top marginal rate paid by the industry. Or in simple arithmetic, it costs Britoil 12p to drill a £1 well on the UK Continental Shelf.

Britoil's Far Eastern interests consist to date of one block offshore Indonesia. But according to Clark, that one concession, held jointly with Atlantic Richfield, is the size of about 40 North Sea blocks.

Unlike most of the oil majors Britoil has evidently decided not to rush into offshore China, recently opened up to the international oil industry.

Ian Clark says that if Britoil had gone into China, regarded by the industry as the next great oil province," it would have been a blind investment." A few years down the road, the Chinese scene will be better understood and Britoil could buy in, says Clark. That is never the cheapest way to get in, but Clark points out that "there could be some companies with a big Chinese spread which might fancy a swop with some of our UK blocks."

Britoil's unrivalled position on the UK Continental Shelf will always provide it with a very marketable alternative to cash payment for international oil acreage, and the "double farm-in" could well become a Britoil hallmark as it expands abroad.

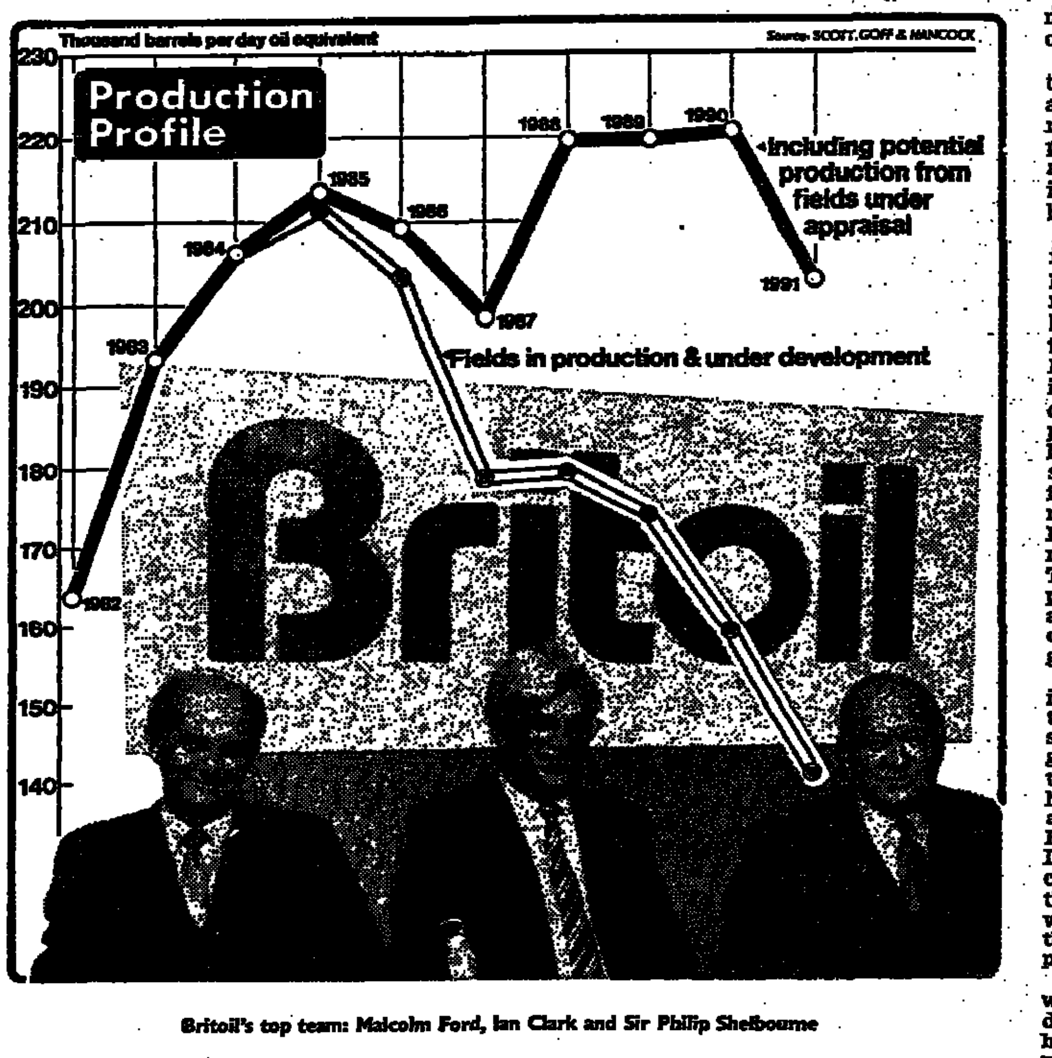
Not that Britoil is strapped for cash. At the time of privatisation Britoil was shunned by the City in large part because it was thought to have too high a debt/equity ratio. But by the end of 1983 the initially uncomfortable 50/50 debt equity ratio had been pulled back to 40/60, and it is likely that 1983's accounts will show a balance sheet transformed, with no net debt. Six months after privatisation Britoil was given AA+ credit rating on the U.S. markets. That is a tribute to Britoil's powers of cash generation, but also suggests, in the words of one oil analyst, that "the City got Britoil wrong."

Although the balance sheet is set to deteriorate towards the end of the decade under the strain of a prodigious programme of capital expenditure, the debt equity ratio should be held at no worse than 35/65, according to Robert Speirs, Britoil's director of planning. If Britoil found a colossal discovery West of Shetland, then the development costs could well demand the rights issue that the company's current plans exclude.

That is the time that Britoil would have to knock on the door of its 49 per cent shareholder, HMG. If the Government did not want to pay for new shares, then says Speirs, Britoil would be in the awkward position of having a "100 per cent rights issue directed at 51 per cent of the shareholders."

The Government's 49 per cent of the equity will dog the company until it is completely disposed of. Last week Peter Rees, Chief Secretary to the Treasury, announced that the Government intended to sell off its minority holdings in quoted companies. But even were the Government's 49 per cent to be sold tomorrow, the state will still retain its so-called "golden share." That effectively blocks a foreign takeover of Britoil and, by the same token, confirms the City's view of Britoil as a dull investment, devoid of the take-over speculation that buoys up most oil exploration stocks.

But Glasgow-based Malcolm Ford is quite happy about that: "We're conservative as hell. Look at all those City-based companies who regularly have to downgrade their estimates of reserves. We're not going to be a goddam City driven company."



Britoil's top team: Malcolm Ford, Ian Clark and Sir Philip Shelbourne

Management abstracts

Mergers and the performance of the acquiring firm. M. Labatkin in The Academy of Management Review (USA), Apr 83; p. 218 (8 pages, tables). Contends that there is no general agreement on reasons for the popularity of mergers which, although theoretically advantageous, rarely appear to achieve returns better than those produced by other risk investments; bemoans the absence of real benefit criteria.

Companies in intensive care. D. Wheatley in Accountancy (UK), Aug 83; p. 86 (2 pages). Describes the conditions which have to apply before the Midland Bank take client companies into intensive care, but warns of potential difficulties when companies deal with more than one bank; explains the functions of the intensive care unit, and discusses the role of accountants, both as financial advisers to the company or as reporting accountants commissioned by the bank.

Corporate financing methods. M. Agius in The Accountant (UK), 7 Jul 83; p. 25; 14 Jul 83; p. 10; 28 Jul 83; p. 12 (7½ pages). Three linked articles: (1) looks at gearing and the pros and cons of equity finance; (2) examines the advantages and disadvantages of debt to both borrowers and investors; and (3) explores other forms of financing—in particular corporate bonds.

The impact of the new technology. K. Pfefferman in Büro and EDV (Fed. Rep. of Germany), Mar 83; p. 10 (1 page, table; in German, English version available). Reports on an opinion poll (taken by an independent research organisation) into the effect the introduction of new technology has on people's working situations. Those polled are first broken down into those that have been affected, and those that have not (as yet), and the former are then further analysed into various categories.

Rent an export expert. D. Mills in Export Direction (UK), Jun 83; p. 33 (1½ pages). Outlines how companies (quoting five case examples) have "leased" surplus export executives for varying lengths of time in functions where expertise can help improve export performance, and notes that such schemes may qualify for BOTB grants.

مكانه الأصل

THE ARTS

Arts Week

F	S	Su	M	Tu	W	Th
23	24	25	26	27	28	29

Opera and Ballet

WEST GERMANY

Berlin, Deutsche Oper: Orpheus has *Julia Migenes in the title role.* Manon Lescaut has fine interpretations by Eva Marton and Franz Grundheber in the leading roles. Premiering this month is a new production of Fräulein Julie, an opera by Antonio Bibalo, an Italian composer, set to the Strindberg text. It is produced by Cornel Franz and has Margit Neugebauer in the title role. Die Macht des Schicksals, sung in Italian, *is perfectly cast with Julia* Varady, Livia Budai and Giorgio Merighi (34381).

Hamburg, Staatsoper: Wozzek convinces, thanks to Anja Silja in the part of Marie. Die Hochzeit des Figaro features Mikael Melbye and Ann Murray in the leading roles. Die Meistersinger von Nürnberg is offered this week with Robert Schunk, Bernd Weikl and Beatrice Niehoff. Arabella is steered to triumph by Anna Tomowa-Sintow and Franz Ferdinand Nentwig. (351151).

Cologne, Opera: A new production of Carmen by Jean-Pierre Ponnelle is conducted by John Pritchard. It has Kathleen Kuhlmann in the title role. There was much acclaim for *Così fan tutte with Dolores* Ziegler and Kay Griffel. Elektra is worth a visit with Strauss specialists Helga Dernech, Lisbeth Balslev and Gwyneth Jones (25621).

Frankfurt, Opera: Der Freischütz has *a new cast with Helena Döse* as Agatha and Walter Raffeiner, famous for his rendition of Max Ferruccio Busoni's rarely played Doktor Faust produced by the controversial Hans Neuenfels, is again added to the programme. Ein Mas*kenball has guest singer Eva Rando*va in the part of Ulrica. Der Türke *in Italien rounds* off the week (25621).

Munich, Bayerische Staatsoper: Carmen is of respectable standard with Stefania Toczyska in the title role. Premiering this week is a new production of Adriana Lecouvreur produced by John Copley conducted by Guiseppe Patane. It brings together *outstanding Margaret Price,* Trudeliese Schmidt and Neil Shicoff. Also on the programme, Orpheus and Eurydike. (21851).

PARIS

Maurice Bejart and the XXth Century Ballet: Messe Pour Le Temps Futur, expressing the anxiety, hope and fascination of the future. Palais des Congres (2662075).

Marco Spada – a three-act ballet-pantomine, in Rome Opera's production. Adaptation, choreography and decor by Pierre Lacotte with John Lanchbery conducting. Paris Opera – Salle Garnier (7425730).

Purcell's Dido and Aeneas in a new production with Jessye Norman as *Dido, Christine Barbaux, Veronique* Dietchy as Belinda and William Stone as Aeneas with Jean-Claude Casadesus conducting at the Opéra Comique – Salle Favart (2960611).

LONDON

Royal Opera, Covent Garden: Bellini's *I Capuleti ee i Montecchi, a bel can*to rarity, has its first Royal Opera production, *with a glittering team:* Agnes Baltsa and Edita Gruberova as Romeo and Juliet, Riccardo Muti as conductor. Pier Luigi Pizzi produces in his own designs. (2401066).

English National Opera, Coliseum: Britten's Gloriana, a once much-underrated work in whose revaluation this ENO production has done great service, comes back with a strong cast: Sarah Walker undertaking her first Elizabeth I, Anthony Rolfe Johnson, Elizabeth Vaughan, and Neil Howlet – and Mark Elder as conductor. Last performance of the Patience revival – the company's wittiest operetta production, and here given a *sparkling perfor*mance.(8363161).

Sadler's Wells, *Rosebery Avenue:* Ballet Rambert's season includes the eye-catching Colour Moves with Bridget Riley's lovely sets. (2788916).

ITALY

Verona: Teatro Filarmonico: To mark the 60th anniversary of Puccini's death, Manon Lescaut, conducted by Maurizio Arena, directed by Gian Carlo Cobelli (234520).

Milan: Teatro Alla Scala: Idomeneo conducted by Gimandrea Gavazzeni. (Rome Opera production). (809126).

VIENNA

Staatsoper: Der Rosenkavalier conducted by Seipenbusch; Rigoletto conducted by Graf; Simon Boccanegra conducted by Claudio Abbado, with Ricciarelli, Carreras, Raimondi. (5324/2655).

NEW YORK

Metropolitan Opera (Opera House): The season's last performance of James Levine conducting La Forza del Destino with Leontyne Price is part of a week that also includes Gian Carlo Menotti's production of *Manon Lescaut as well as Piero* Faggioni's new Francesca da Rimini *conducted by James Levine with* Renata Scotto as Francesca and Placido Domingo as Paolo. The week also features La Forza del Destino with Leontyne Price and the Abduction from the Seraglio. Lincoln Center (5809830).

Music

LONDON

Royal Philharmonic Orchestra, conducted by Rudolf Barshai, with Leonid Brumberg, piano. Beethoven. Royal Festival Hall (Tue). (9283191).

Arditi String Quartett: *Maxwell Dav*ies, James Dillon and Roger Smalley. Purcell Room (Tue). (9283191).

Royal Philharmonic Orchestra and *Pro Musica of London, conducted by* Yehudi Menuhin, with Ivo Pogorelich, piano, Yvonne Kenny, soprano, Mary King, mezzosoprano, Kenneth *Bowen, tenor and Michael Rippon,* bass. Rossini, Prokofiev and Schubert. Royal Festival Hall (Wed).

English Chamber Orchestra, conducted by Philip Ledger, harpsichord, with Jose-Luis Garcia, violin. Mozart, Bach and Vivaldi. Queen Elizabeth Hall (Wed). (9283191)

Sophie Langdon, violin and Paul Roberts, piano. Beethoven, Ravel, Martinu, Schoenberg and Debussy. Purcell Room (Wed).

Philharmonia Orchestra, conducted by Andrew Davis, with John Ogdon, piano, Delius, Rawsthorne, and Sibelius. Royal Festival Hall (Thur).

PARIS

Christa Ludwig, mezzosoprano, Françoise Tillard, piano, Laurent Korcia, violin. Wagner, Liszt, Beethoven, Mendelssohn, Wolf (Mon 6.30 pm). *Dezso Ranki, piano.* Mozart, Stravinsky, Ravel, Liszt (Mon 8.30 pm). Both at TMP-Châtelet (2334444).

Orchestre Colonne, conducted by Pierre Dervaux, with Michel Beroff: Dvorak, Liszt, Stravinsky (Mon). Salle Pleyel (5619630).

Ewa Podles Recital, Jerry Marchwinski, piano. Vivaldi, Handel, Rossini, Schumann, Tchaikovsky (Mon). Théâtre de L'Athenée (7426727).

Paris Opera soloists: Schoenberg, Brahms (Tue) Opera Comique-Salle Favart (2960611).

Dang Thai Son, piano. Mozart, Prokofiev, Chopin (Tue). Théâtre des Champs Elysees (7234777).

Ensemble Orchestral de Paris conducted by Jean-Pierre Wallzei. Stravinsky, Haydn (Wed). *Salle Gaveau* (5632030).

Orchestre de Paris with Myung-Whun Chung as conductor and piano soloist; Alain Moglia, violin; Etienne Peclard, cello. Vivaldi, Beethoven, Dvorak (Wed, Thur). Salle Pleyel. (5619630).

ITALY

Milan: Conservatorio Giuseppe Verdi: *Jeffrey Swann, piano.* Hayden, Schumann, Debussy and Liszt (Wed). (791755).

Rome: Auditorio di via della consiliazione: *(Accademia di S. Cecilia):* Berg, Strauss. Lieder with the soprano Ileana Cotrubas, and Mahler's 10th symphony (Sun, Mon and Tue). (6541044).

Rome: Teatro Olimpico: Piazza Gentile da Fabriano: the Milan trio playing Haydn, Mendelssohn and Ravel (Wed) (393304).

NEW YORK

New York Philharmonic (Avery Fisher *Hall): Rafael Kubelik conducting,* Rudolf Firkusny, piano, Marilyn Schmiege, mezzosoprano, Jan Novak, narrator, with the New York Choral Artists, directed by Joseph Flummerfelt. Martinu Jan Novak, Dvorak (Tue); Zubin Mehta conducting, Alexis Weissenberg, piano, Druckman (world premiere), Beethoven, Dvorak (Thur). Lincoln Center (8742424)

Rochester Philharmonic (Carnegie Hall): David Zinman, conducting. Misha Dichter, piano. Beethoven, Elgar (Mon) (2477459).

Cantilena Chamber Players (Carnegie Hall): Hilda Harris mezzosoprano, *All-Brahms* programme (Thur) (2477459)

WASHINGTON

National Symphony (Concert Hall): Maxim Shostakovich conducting. Gary Graffman, piano. Mussorgsky, Prokofiev, Shostakovich (Tue, Wed, Thur). Kennedy Center (2543776)

Theater Chamber Players of Kennedy Center (Terrace). Jeanette Walters, soprano. Hyo Kang, violin, Dina *Koston piano, Eugene Istomin,* piano. Harbison, Brahms (Mon). Ken*nedy Center (2549895).*

CHICAGO

Chicago Symphony (Orchestra Hall): Garcia Navarro conducting. Stravinsky, Debussy, Glazunov (Thur). (4358122).

VIENNA

European Chamber Orchestra: conducted by Claudio Abbado, with Murray Perahia, piano. Schubert, Bach, Beethoven, Brahms. Konzerthaus Grosser Saal. (721211) (Mon)

Vienna Symphony Orchestra: conducted by Neeme Jarvi, with Antonio Meneses, cello. Dvorak, Beethoven. Musikverein Grosser Saal (Wed and Thur). (658190).

ZURICH

Tonhalle: Tonhalle Orchestra conducted by Michael Kobelt. Tchaikovsky, Shostakovich (Wed); Emerson String Quartet. Haydn, Bartok and Dvorak (Thur).

Exhibitions

PARIS

William Bouguereau: An exhibition which continues the present rehabilitation of academic art of the second half of the 19th century. Petit Palais. Closed Mon. Ends May 6 (2651273).

Camille Claudel: 70 sculptures accompanied by paintings, drawings and engravings prove the individuality of Rodin's pupil who, through her realism and, later on, a sense of the theatrical, found her own way. Musée Rodin. Closed Tue. Ends June 11 (7050134).

Pierre Bonnard: an important retrospective of the painter whose canvases filled with colour and light glorify the beauty of the human body as he painted time and again Marthe, his wife, at her toilet, in her bath. His Mediterranean landscapes radiate the same joyous love of nature. Centre Georges Pompidou (2781995). Closed Tue. Ends May 21.

Masterpieces of American Painting 1760-1910. More than 100 paintings – among them Whistler's Mother, Sargent's Madame X and Mary Cassatt's Impressionist work – span 150 years of American creation. The panorama of realistic portraits, dramatic landscapes, genre scenes and symbolist paintings culminating with Homer and Eakins proves that American art which did not have to wait for the contemporary period to affirm a powerful identity of its own. Grand Palais (2615410). Closed Tue. Ends June 11.

Raphael in Rome

In Raphael's painting, architecture ceases to be a decorative background and becomes an integral part of the work. He paints buildings as he would like them to be, not as they are.

It is fascinating, in the opening section of this exhibition, to compare his and Perugino's versions of The Marriage of the Virgin. Here, too, we see reproduction of the frescoes Raphael produced when he was barely 28, for Julius II's private apartments in the Vatican.

Raphael started occupying himself seriously with architecture in the last seven years of his life, and the second part of the exhibition contains his plans for various buildings in Rome and Florence. Those which can (and should) be seen in Rome are: Capella Chigi in the church of S. Maria del Popolo, the church of S. Eligio degli Orefici, Via di S. Eligio, the church of S. Agostino, and the church of S. Maria della Pace, Via Arco della Pace 5.

We then see his numerous plans for St Peter's Basilica – a project halted by his death in 1520. Nothing of his remains in the later building by Michelangelo.

The exhibitions ends with Raphael's plans for Villa Madama (there is also a splendid model of the building in wood) – the beautiful villa on the slopes of Monte Mario which Raphael built for the bastard son of Giuliano de' Medici who became Pope Clement VII and mourned as he watched this beautiful villa burn during the sack of Rome. It was later restored and now belongs to the Foreign Office. The recent Vatican Concordat was signed there.

Raphael The Architect. Palazzo dei Conservatori, Piazza del Campidoglio, Rome. Ends May 15

Jennifer Grego

WEST GERMANY

Bielefeld, Kunsthalle, 5A, Ladebeckstrasse: A Picasso exhibition focusing on the artist's depiction of death. Ends April 1.

Brunswick, *Herzog Anton Ulrich Museum,* 1 Museumstrasse: "First-hand painting" has more than 30 sketches in oil, dating from the 16th to the 18th century by roughly 50 European artists, among them Rembrandt, Rubens, Tintoretto and Boucher. These initial studies sketched with crayon or chalk up to the end of the 15th century, were carefully hidden from the public but have been discovered and recognised as an especially attractive art form. Ends April 1.

Aachen, Suermondt-Ludwig-Museum, 18 Wilhelmstrasse: French painting from Watteau to Renoir has 49 landscapes, still-lives and portraits from the 18th and 19th century. Ends April 8.

Cologne, Wallraf-Richartz-Museum, An der Rechtschule: Fifteen paintings by six Dutch masters of the Utrecht school of painting dating from the 17th century, on loan from the Utrecht Zentralmuseum. Ends May 20.

Hamburg, Kunsthalle, 1 Glockengiesserwall: This is the only venue in the Federal Republic of a unique exhibition of drawings by Leonardo da Vinci, on loan from The Royal Collection at Windsor Castle. The fifty exhibits on the subject of nature and landscape are part of the large collection of roughly 600 drawings by the Italian master owned by the British Royal family. Ends May 6.

ITALY

Venice: Museo Correr: Until a year ago, there was not a single painting by this Venetian master to be seen in the city (there were in fact two – but in private collections). The local council has now acquired two large and splendid paintings with interesting documentation concerning their restoration.

Florence, Pitti Palace: Raphael paintings and drawings. The exhibition has drawn such huge crowds that the opening hours have been extended – something almost unheard of in Italy. Now open from 9am until 7pm (closed Monday).

VIENNA

Out Of Steppe and Oasis: A colourful exhibition of treasures from the high desert plateaus of Turkestan, the heartland of Central Asia, stretching from China to the Caspian Sea, many brought back by 19th-century Viennese travellers. A display of artistic skill applied to household articles and clothing, carpets, saddlebags and especially jewellery, that a nomadic people could carry with them on their camels. Museum of Ethnology (Völkerkundemuseum). Until April 30.

BRUSSELS

Musée d'Art et Histoire: Reconstruction of the chamber of the Bulls of the *Lascaux Grottos,* closed to the public through fear of damage and pollution affecting the drawings. Until April.

Société Générale de Banque: Sundials, astrolabes, watches, clocks and marine instruments. Ends April 7.

HOLLAND

An extensive collection by the Dutch artist Bram Bogart from 1951 to 1980 is on view at the Museum Boymans-Van Beuningen, Rotterdam, to March 31. Bogart, born in Delft but a long-time resident of Belgium, is an Expressionist who has recently discovered the joys of updated pointillism.

Rembrandt: The artist's home and etchings each Sunday at 2pm until the end of April. The Rembrandt House and Museum is at Jodenbree Straat 4-6, Amsterdam.

LONDON

ICA: William Morris Today – a documentary for the 150th anniversary of the sage's birth, celebrating his ideas and principles rather than his practical work in the arts and crafts. Morris was a romantic and visionary, one of the most important of British theorists of early, idealised Socialism; and if his vision has manifestly failed to be realised, it remains nevertheless in so many respects admirable and always honourable. He was a designer of genius, though a poor painter and indifferent poet – and in the longest run it is as a designer that his work will stand. Ends April 29

NEW YORK

Cantor Sculpture Centre: Set against a spectacular view of New York atop the World Trade Tower, 35 Rodin sculptures are displayed in the enlargements and reductions carried out by Rodin collaborator and reproducer Henri Lebosse. One World Trade Center, 105th storey

Metropolitan: Rembrandt, Vermeer, Hals, van Ruisdael and Steel are among the 17th century masterpieces from the Royal Mauritshuis Picture Gallery in The Hague taking up temporary residence in commemoration of 200 years of Dutch-American diplomatic relations. Ends April 15.

International Center of Photography: David Bailey black and white photos of swinging Britain in the 1960s include the faces of that times such as Jean Shrimpton, Mick Jagger and David Hockney. Ends April 1.

National Academy of Design: The 159th year of the annual show of new and established artists consists of 200 works, comprising 89 paintings, 53 sculptures and 58 watercolours and graphics. Ends April 5.

Picasso: The Last Years (Guggenheim): A show of one tenth of one per cent of Picasso's last decade of work still has 200 pieces in it, showing a restless spirit trying to capture the last personal vision by dint of sheer energy working at a furious pace. Ends May 6.

WASHINGTON

National Gallery: Thanks to its popularity, the Aztec show of artifacts from the Spanish conquest to the 1978 excavation of Tenochtitlan – the largest show of its kind ever in America – will extend its run to spring. Ends April 1.

CHICAGO

Museum of Contemporary Art: With the assertion: "The arts in West Germany today are dynamic and strong, and constitute one of the most important sources for contemporary art trends in Europe and America," this recent Chicago institution is putting on three German shows, of artists Rebecca Horn, Dieter Roth and 100 works of five neo-Expressionists. Ends April 1.

Theatre

NEW YORK

La Cage aux Folles (Palace): Perhaps this season's outstanding musical comes, like Evita and Cats before it, *at the very beginning of the theatri*cal year. Despite stellar names such as Harvey Fierstein writing the book and Jerry Herman the music, the best parts of the show are not the hoopla, apart from the first-act finale a la Gaîté Parisienne, but the intimate moments borrowed direct from the film. (7572626)

The Real Thing (Plymouth): After 14 months in London, Tom Stoppard's latest giggle at the English intelligentsia, with a new-found attention to the heart that beats beneath the veneer, arrived on Broadway in a cast headed by Jeremy Irons and Glenn Close, directed at a fast clip by Mike Nichols. (2396200).

CHICAGO

The Time of Your Life (Goodman Mainstage): Four years after his death at age 72, William Saroyan is rediscovered, here with the 1939 Pulitzer Prize winner that takes place among dreamers *in a California* bar. Ends April 8. (4433800).

WASHINGTON

End of the World: With symposium to *follow (Eisenhower):* John Shea stars in the world premiere of Ar*thur Kopit's autobiographical play* about a playwright being commissioned to write about nuclear disaster, with Barnard Hughes as the commissioning billionaire, as directed by Harold Prince. Kennedy Center (2543670)

LONDON

Loot (Ambassadors): Leonard Rossiter is a wonderful Truscott in Jonathan Lynn's enjoyable revival of Joe Orton's farce in which a leading role is played by a mummified corpse.The versatile Gemma Craven plays the Irish nurse who is open to offers and party to crime. (8361171)

The Aspern Papers (Haymarket): Vanessa Redgrave and *Wendy Hiller* give superb performances in Michael Redgrave's 1959 version of Henry James's story. The inquisi*tive scholar who descends on their* Venetian palazzo is played, ponderously, by Christopher Reeve. (9309832)

A Streetcar Named Desire *(Mermaid):* Sheila Gish gives the *performance of her life as Blanche Dubois in Al*an Strachan's excellent revival, first *seen last year at Greenwich.* Tennessee Williams's emotional rollercoaster of a play *amounts to one of* the best evenings in town. (9306123)

Saint Joan (Olivier): Staid and stolid National Theatre revival of a play that is finding it increasingly hard to live up to the tag of Shaw's masterpiece. Frances *de la Tour* is sincere and unrhetorical to a fault as *the maid, and Ronald Eyre's direc*tion includes medieval pageant, *some striking music by Ilona Se*kacz and, alas, a disastrous deputy inquisitor from Cyril Cusack. (9282252)

See How They Run (Shaftesbury): The line is not, after all, "Arrest some of these vicars" (as Tom Stoppard thought) but "Arrest most of these people." *Philip King's 1945 farce is* one of the funniest plays in English, a veritable period classic, and Ray Cooney's revival is, on the whole, splendid. A village prude sips too much sherry and finds the stage awash with clergymen, some of them genuine. The farceurs include Maureen Lipman, Derek Nimmo, Michael Denison, Christopher Timothy. (9308577)

Cinema/Nigel Andrews

Theatre and the alchemy of egotism

The Dresser, directed by Peter Yates
Streamers, directed by Robert Altman
Uncommon Valour, directed by Ted Kotcheff
La Balance, directed by Bob Swaim

When Ronald Harwood launched his history-of-the-theatre TV series *All The World's A Stage* by featuring large chunks of his own play *The Dresser*, it confirmed my belief that the latter is a drama by, for and about egomaniacs. The actor-manager "Sir" is a lovable tyrant to whom all the world's a stage, he its star and all the men and women merely spear-carriers. The dresser Norman is a mach-2 fusspot whose epicene dashings and prattlings are all for the greater reflected glory of Norman. (His largest emotion is disappointed fury that he's not mentioned in Sir's autobiography). And Harwood himself, it now seems clear, views world drama as a direct trajectory from *Oedipus Rex* to *The Dresser*, via such promising interim talents as Shakespeare, Racine and Chekhov.

Of course, egomania, especially in the arts, is often No Bad Thing, and the stage above all could not possibly thrive without it. Theatrical fashion may have swung away from the autocracy of actor-managers to the democracy of ensemble; but all that means is that the gurus and demagogues—who are now the producers—are today working offstage rather than on.

Harwood's play reaches the screen with much creaking and groaning but with its two main egos vividly intact. Albert Finney's magnificent "Sir" looks as if he has been fished freshly from the boiling water. His giant, balding egg-pate steams with anticipation, as the World War Two bombs drop around the provincial town hosting his 228th Lear. Finney gives his voice the deep, marvellous mule-bray of a Wolfit, and he swills and relishes words like a wine-taster. He roars at the outside world ("STOP THAT TRAIN!" —the train stops) and at the inside world ("227 Lears and I can't remember the first line"). And whenever he subsides or collapses it's into an affectingly addled second childhood. Though Finney is here parodying the Great English Actor, it's done with such verve and passion that it's the first time I've believed he might actually be a great English actor.

Tom Courtenay's Norman is a mite more mechanical: as if the thunder-sheet of his performance had been worn down by repetition, or perhaps switched to automatic control. (Finney has the advantage of coming fresh to the role for the film.) But Courtenay rises to the occasion with the climactic one-liners: "Oh, no, not Othello! ..." (fortissimo, on seeing Sir making up for the wrong play) or "We're not dead, are we?" (pianissimo, on finding Sir lifeless on the dressing-room sofa). And when outfacing Sir's enemies—notably Edward Fox's snooty fellow actor—he suggests there's a spitfire as well as a sycophant in this attendance-dancer.

Albert Finney (left) and Tom Courtenay in "The Dresser"

Harwood, writing his own screenplay, and director Peter Yates have made some footling early attempts to "open out" the play: as if artistic aeration were a matter of winding up the actors and setting them to walk the length of the odd cobbled street. And Harwood's *keen grasp of his main characters doesn't at all extend to the supporting ones.* Eileen Atkins as a lovelorn stage manageress and Zena Walker as Mrs Sir are both limp with tokenism.

But the film, like the play, stands or falls by its principals and here it stays gloriously on its feet. *The Dresser* is about the alchemy of egotism in the theatre: the force-of-personality that changes into gold the base metal of dicky sets, wayward fellow-players and rebarbative lines. (You try saying "Attend the lords of France and Burgundy, Gloucester" without sounding as if you're ordering wine and cheese.) Harnessing one good and one great performance, the film transforms a tale about life in the theatre to a tale about the theatre in life. It says that to achieve anything great in either arena you must unshell your whole self, the folly and vainglory as well as the talent. You can't make a *Hamlet* without breaking open egos.

*

Meanwhile, the breaking of American egos. *Streamers* and *Uncommon Valour* each take an "Uncle Sam Needs You" poster and draw subversive graffiti on it. The first is Robert Altman's film of David Rabe's megadecibel play about four Vietnam draftees going *through hell and slaughter* even before they reach South-East Asia. And in the second Gene Hackman leads a vigilante six-man army into Laos to rescue his son and other U.S. PoWs, still held captive ten years after the war's end.

Both movies are the product of an America still haunted by the spooks of Vietnam. *Streamers* is a "filmed play" with a vengeance: if you think *The Dresser* is claustrophobic, try this four-wall screaming match in an army barracks. Four judiciously diversified cadets — a gentle black, a loud-mouth black, a straight white, a gay white — join forces in a 2-hour crescendo of talk and tension that begins with gentle *baiting and ends in murder.*

En route they yatter, reminisce, confess, accuse, soliloquise, weep, fight, as characters in American plays have been doing, usually with the aid of alcohol (here they quaff copious beers) ever since O'Neill. Sometimes their two sergeants come into join the psychotic *singspiel*: their signature tune being "Beau-tiful strea-mers!", a hymn to dead parachutists whose chutes didn't open.

The performances are resounding, especially Mitchell Lichtenstein as the limp-wristed but lithe-tongued Richie, but ultimately the movie is all sound and no substance. It's one of those peel-off-the-layers-of-delusion plays in the grand U.S. tradition of *Iceman* or *Streetcar*; but in this instance there's nothing at the heart of the onion save more rhetoric.

Uncommon Valour embraces the vast outdoors and eschews verbal rhetoric in favour of visual gung-ho. Hackman's son-seeking Colonel, with his wrinkled costive face resembling the back end of a prune, persuades five of his boy's former army buddies, plus a specially signed drill instructor, to stage his Laos rescue bid. Oil millionaire Robert Stack — son also missing — bankrolls the bid. And after honing their tactics at a do-it-yourself Texas training camp, they up backpacks and head East.

Once there, of course, nothing goes according to plan, and they rely on luck, coincidence, a script flying by the seat of its pants, and an old Oriental guide and nut case whose daughter provides brief sex appeal before being shot.

Here, in short, we have two films. One is Hackman's moving portrait of a bereaved Dad living on the emotions somewhere deep inside him. The other is more like "The A-Team Goes to Asia" or "The Dirty Six and a Half" (Hackman's role being supervisory rather than swashbuckling). But the advantage of a film with a limp is that whenever it comes down on its good leg rather than its bad we get a pleasant surprise, as if health and strength can sometimes be found even in the most handicapped pieces of hokum.

*

Bob Swaim's *La Balance* is a racily entertaining French thriller. "In certain parts of Paris," says the poster, "love is more dangerous than money." And Nathalie Baye incarnates that danger as a *putain* with an alarming tendency to attract eddies of destruction all around her. Especially when the police (Richard Berry with loosened tie and five o-clock shadow) enlist her crook-lover (bruiser-eyed Philippe Leotard) as an informant to catch Paris's most dangerous racketeer and restaurateur (Maurice Ronet, stirring *couscous* while planning bang-bang).

The cast deliver a constant rat-a-tat-tat of Gallic argot, which reaches the English subtitles in such colourfully obscure phrases as "The fish is the aquarium" or "Let's get the dimedropper." Swaim, California-born, directs as if he knows only slightly more than we do about where the plot is going next.

Mady Mesplé/Wigmore Hall

Max Loppert

Mme Mesplé, a light soprano of charm and distinction, with many prized records of French opera, operetta, and song to her credit, has sung here too seldom —concerts with Boulez of Schoenberg, Webern, and Ravel's *L'Enfant* make up, I believe, the sum total of previous appearances. It seemed, at the start of Wednesday's first London recital, that she might have left the occasion for it rather late. In Poulenc's *Fiançailles pour rire*, the voice made a thin, shadowed sound, three parts flutter to one part tone; evidence of stylistic sophistication, of which there was a good deal, tended to be submerged in passing failures of line, in sudden rasped loud phrases and evanescent softer ones.

Yet after this shaky start there came some pleasant surprises. Without really summoning sources of greater substance, Mme Mesplé somehow managed to imbue five Liszt songs with a remarkable amount of emotional weight; *there was a build-up of genuine* fervour through the slow unfolding of "Freudvoll und leidvoll" despite the absence of the tonal solidity normally required to work it. The same process was heard at work in "Du bist wie eine Blume" and "Bist du!"—not perhaps Liszt singing of an ideal, "central" standard but carried off with impressive artistry, and sustained at every point by the piano playing of Dalton Baldwin (at his admirable best through*out the recital).*

Thereafter, the return to *lighter* fare found the singer more relaxed, able to pick fine vocal points out of fragile substance—Satie's *Ludions* pattered off with an insouciant way of underplaying their anarchic humour, the Ravel arrangements of Greek songs (including a little-known concluding sixth, with deftly tossed-off high sparkles) were fresh and unmannered, and Rodrigo's Four Love Madrigals made a winningly bright conclusion. If the test of an artist is to confound expectations too easily *formed, then in this recital Mme* Mesplé passed it with honour.

The Rink, Forbidden Broadway/New York

Michael Coveney

Despite lukewarm reviews the new musical at the Martin Beck Theatre in New York, *The Rink*, is drawing the town. The reason for this is that the show, although feeble-witted and banal in the extreme, is used as *a sort of middleweight boxing* contest by its stars Chita Rivera and Liza Minnelli.

I gather that this contest even carries over, on occasion, into the orchestra stalls, where groups of rival fans root and cheer for either Chita or Liza. *No reports, so far, of beer-can* throwing or violence in the dress *circle. Your correspondent was* fortunate enough to be spared *such undignified party games* by the simple expedient of Miss Minnelli having contracted a sudden bout of acute tendonitis.

Her place as Chita Rivera's daughter—and how someone who has only ever given the impression of being somebody's else's daughter brings *that* off must remain a mystery—was taken by Lenora Nemetz. Miss Nemetz, plumpish and competent, resembling Lynn Redgrave a little, did not become an overnight star. She merely did a good job.

Chita Rivera inhabits a broken down roller rink on the Eastern seaboard which is invaded by a group of workmen with a contract to level the place. In brief, her daughter turns up in soiled jeans and ungoverned hairstyle to plead romantically for the old place, *its memories, its lights, its* magic and its public role. *Terrence McNally's book is set* in the 1970s, but its spirit could *be just as well set in concrete.* A slight idea is strung out for *far too long and decorated with* a startlingly forgettable score by *Cabaret* and *Chicago* authors John Kander (music) and Fred Ebb (lyrics).

An English equivalent of the *old recreation centre* would be the Southend Kursaal which, rather like *Peter Larkin's* scenery, is redolent, in its *dilapidated architectural charm* of 1950s escapade. It is a cantilevered folly of flying girders and soaring arches, pink and orange lighting and corrugated iron. This is a really amazing set which, at the end, is flown out in its entirety on receiving the demolition order, leaving Chita Rivera and her daughter —and a little girl of the next generation—transfigured in a panoramic sunset glow by the sea.

At moments like these you can see what might have been had A. J. Antoon's direction really given the material a shake up. *The Rink* has one little first: it just pips Andrew Lloyd Webber's *Starlight Express* to the post in the musical rollerskating department. The six workmen, temporarily liberated by Graciela Daniele's imaginative choreography, bring the old place *alive* with some daredevil antics.

The best song, a raunchy blues number "The Apple Doesn't Fall" for mother and daughter opens the second act, but dramatic tension is hardly served by the collapse of the *filial argument into sentimental* hogwash about frisbees on the sand, burgers on a bun and the times they are a-changing.

They're not a-changing any more, but Miss Rivera, as devas*tatingly ageless and supple* as ever, is just the same. She *really has the* best role—it's certainly a lot better than the old witch she *played in last* year's *Merlin* debacle—but she deserves a better one. It remains a theatrical miracle how she can lift her heels behind her ears and incorporate such gymnastics into fast and fluid physical motion. It is sinful to make Miss Rivera drone on in the second act about her men and romances when she can tell you all you need or want to know by shaking her shoulders and kicking her legs.

*

I get a little closer to Liza Minnelli at *Forbidden Broadway*, a delightful cabaret playing at Palsson's Supper Club on West 72nd Street. Jan Neuberger gave a cruelly accurate impersonation in "I'm *Liza One Note*" and a red dress. The show, with bitingly *bitchy* and on the whole witty lyrics by Gerard Alessandrini *(who also directs)*, parodies Broadway musicals and stars *from* Richard Burton in *Camelot* ("I wonder what the *king is drinking tonight*") through to Patti LuPone in *Evita* ("Don't Cry For Me Barbra Streisand").

The entire design and lighting of *Evita* is effectively satirised by a *single spotlight* and *the* telling gestures of Barbara Walsh. *The same goes for Hello Dolly!* with Jan Neuberger's Carol Channing *opening her* garish lips to reveal a mouth as wide and as deep as the Holland Tunnel. All good, camp, not so clean fun; *the kind of* revue off-Broadway does with inimitable panache.

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Efficiency in defence

MR Michael Heseltine's plan to reform the Ministry of Defence, one of Whitehall's largest spending ministries, is the most ambitious for a generation. Public attention has so far focussed on the Defence Secretary's most dramatic proposal, the merging of the policy staffs of all three armed services into a combined military and civilian central staff. The effect of this should not be minimised, for it is intended to turn the Air Force, Navy and Army leaderships into administrators of their services rather than, as now, key individual instruments in the process of making defence policy.

But a careful reading of Mr Heseltine's consultative document which accompanied his speech announcing the changes to parliament last week suggests that very little in the management of the whole of the defence ministry will be unaffected by his plans.

Earlier this week he made clear that the reform of the management structure of the ministry is a first phase. It is to provide the right framework for reappraising defence policy in the late 1980s and 1990s.

Few observers of the defence scene in Britain today will quarrel with Mr Heseltine's definition of the problems which need solving in this first stage—or indeed with his remedies for them. The MoD is complex and cumbersome, in effect a federation of five separate departments: the three semi-autonomous services, the 43,000-strong procurement executive which buys the forces' weapons, and the central administration.

Urgent

Mr Harold Macmillan started the process of centralising the ministry 20 years ago and some of Mr Heseltine's predecessors have made valiant efforts to complete his work. But the need for a more responsive, less diffuse structure is especially urgent today when the challenges range from changing nuclear strategy to the constraints imposed by diminishing resources.

Mr Heseltine's overall aim is to produce a defence, rather than a single service, approach to policy. He wants to cut overheads, prune staff and increase efficiency. He intends to simplify management structures, producing a White Paper for parliamentary approval by July, with the changes themselves made effective at the turn of the year.

He outlines three key areas of change to support his new combined central staff. He will create an Office of Management and Budget, which among its duties will take over from the single services the initiation of weapons projects. He will strengthen the Chief Scientist's department, putting it in charge of operational analysis as well as an arms control unit. Finally, he intends to reform the procurement executive, responsible this year for buying defence equipment worth more than £7bn.

Vital detail

Will Mr Heseltine be any more successful than his predecessors at taming the MoD? He may have chosen his moment well, in that previous attempts to centralise decision making, notably Sir John Nott's in 1981-1982, have softened the opposition. The service lobbies have been noticeably silent in the last ten days.

The next few weeks will be important, for there is much vital detail still to work out. There are key balances to be struck: Mr Heseltine says, for example, that he is keen to maintain the morale and efficiency of the fighting forces, yet if he takes too much power away from them, particularly in the determination of their weapons systems, he may undermine that morale.

On his central thesis—that as defence decisions get more complex the decision-making process must be made more efficient and more accountable—he is surely right. One test of whether he can achieve this will be in the interface between his ministry and industry, where some of the most complicated and politically difficult decision will come.

More international joint ventures in the production of weapons systems are inevitable though there has been a disturbing tendency for collaboration to increase costs and extend delivery times. The balance between collaboration and competition, on which Mr Heseltine rightly intends to lay more stress, will be a difficult one to strike. It will be an interesting test of his drive for greater efficiency.

Drug companies take stock

HOECHST OF West Germany announced this week that it has abandoned plans to expand its research facilities in the UK as a direct result of the "adverse commercial climate" towards drug companies in Britain. This climate has resulted, it said, from the Government's recent moves to cut the National Health Service's drug bill through the reduction of the industry's profitability and the restriction of its spending on the promotion of drugs.

Hoechst's announcement had a bit of the showman's ring to it — no expansion plans had been spoken of previously. Nonetheless, the company's statement underlines the growing tension between the UK industry and its principal customer.

Britain's pharmaceutical companies have always been subject to the particular advantages and disadvantages of being the only supplier of drugs to the National Health Service. While the NHS has been anxious to contain its costs, the industry has argued that relatively high prices on a number of drugs are necessary to finance costly research programmes and cover the fallow periods between major discoveries.

This system has worked fairly well over the past few decades, with the industry showing consistent growth in profits, sales and exports. This performance has helped Britain's position as world leader in drug research: although Britain only consumes about 3 per cent of the world's drug output, it sells about 6 per cent of the total and accounts for about 10 per cent of world spending on research and development.

Notion

This consistently strong performance has attracted two groups of critics. One resides within Whitehall and Parliament. It argues that control of the industry by the Department of Health and Social Services (through the Pharmaceutical Price Regulation Scheme), has been far too indulgent at a time when cutbacks in Government spending have been so severe. This group has argued that supervision of the industry's profits and prices should be passed to the Department of Trade and Industry.

At the same time, a growing consumer-based movement has been fostering the notion that the drug industry is too profitable and secretive, issuing statements only when one of its products is found to cause unexpected side-effects or death.

The industry argues that its caretakers at the DHSS are sufficiently armed with knowledge of their industry, a very specialised one of which DTI officials would know very little. As to its consumer critics, the industry often appears to be dismissive, cushioned to a large extent by its high status among doctors who are usually very grateful to receive new methods of treating their patients. Nonetheless, these two sets of critics have helped influence the Government in its recent debate on ways of cuttin' the NHS drug bill and the industry's profits.

Taken broadly, these moves to curb the industry's profitability and promotional expenditure are fair, considering the current climate. Even those within the industry agree that some promotional spending is excessive, trips for doctors to exotic locations are unnecessary if a company is selling a useful drug.

As for profitability, the concept of controlling an industry's return on capital is not attractive, especially for the large drug companies which are so heavily involved in high-risk research. Yet, a reduction in the pre-tax return on capital from 25 per cent to 21 per cent does not seem all that onerous.

Even so, the strong possibility exists that further cutbacks on prices or profits lie ahead. In order to protect itself against such a development, the industry needs to become more forthcoming on such issues as the exact profits and costs of transfer pricing, the practice of selling drugs and materials within divisions of large companies.

At the same time, the industry would do well not to ignore its consumer critics. Rather than consistently assuming a defensive posture when claims are made against the industry, it should consider a more positive approach based on many of its successes. Goodwill is not the automatic right of a profitable and successful industry. In order to protect its own future, the industry has to take stock of its shortcomings and respond openly and fully to its critics.

U.S. exports policy

The high-tech row that split Washington

By Christian Tyler and Nancy Dunne

THE FINAL round of a months-long debate in Washington has begun over the future of U.S. exports controls.

The outcome will determine whether or not the U.S. government can stem the flow of militarily valuable technology to the Soviet bloc, without at the same time damaging the free world's trade in high technology.

The debate has brought the U.S. Defence Department to the centre of U.S. trade policy, to the dismay of industry in the U.S. and Western Europe and Japan.

It has produced an unusually wide division of opinion in the U.S. legislature and executive, so that the Senate and House of Representatives have passed rival versions — with dozens of points of difference — of legislation to replace the 1979 Export Administration Act, itself limping on under emergency extensions from its due expiry last September.

As the House and Senate try to narrow their differences in conference, President Reagan this week offered them a compromise on the crucial issue of export licensing and enforcement. He decided to give the Defence Department a greater say in export licensing, but left the pro-trade Commerce Department with the principal authority to enforce controls.

Meanwhile, the Europeans and Japanese fret on the sidelines. The anxiety of their electronic and high technology industries is that any tightening of U.S. exports controls — already the most restrictive in the West — will apply beyond America's borders. Under the traditional extra-territorial practice of U.S. law, the Commerce Department has the power, even now, to control not only shipments from the U.S., but also the subsequent re-export of U.S. technology, whether it is hardware or scientific know how.

And the UK Government, picking up the theme of a recently-leaked ICL analysis, has warned that British business and government might eventually be compelled to reduce their dependence on American computer technology.

In the Congressional debate, Mr Reagan is in the uncomfortable position of a referee with his own big stake in the legislative outcome. His decision to give the Pentagon more say in licensing sensitive technology to the Soviet bloc and Third World will please the Republican majority in the Senate. On the other hand, retaining Commerce Department primacy in enforcement of controls is designed to placate the Democrat majority in the House, which has proved more susceptible than the Senate to the trading concerns of U.S. industry and of U.S. allies.

However, the President's move is only an executive arrangement which Congress can, in the coming weeks, accept or reject.

For the moment, however, it settles what has been a classic Washington "turf war" between the Departments of Commerce, Defence, Treasury (which has the Customs service under its wing), and State.

So intense has been the bureaucratic battling that Senator William Proxmire, the senior Democrat on the Senate Banking Committee, has publicly blamed "interagency rivalries" for hamstringing proper controls on the flow of sensitive technology to the Soviet bloc.

On one side of the battle line has been the Commerce Department, and the State Department, which have to bear the brunt of angry protests from U.S. allies about the Administration's use of extra-territorial controls and new requests for confidential information on overseas purchasers of U.S. high technology.

On the other side has been the Defence Department, which has openly campaigned for controls enforcement to be transferred from the Commerce Department to the Customs Service, an agency inside the Treasury.

The U.S. business community, which has repeatedly complained that cumbersome restrictions are contributing to the U.S. trade deficit, sees some role for the Defence Department in reviewing the high technology sales, providing the process does not cause interminable delays in licensing. However, it continues to oppose shifting enforcement power to the customs service.

Mr Alexander Trowbridge, president of the National Association of Manufacturers, wrote to the White House this week, enclosing a letter from a small Maryland equipment manufacturer pleading for relief from the "burdensome, unnecessary delays" caused by the customs service's much heralded "Operation Exodus."

"This particular shipment is to the New Zealand Navy," the manufacturer wrote, "and I believe they are on our side."

Other key issues in the new export control legislation:

● Extraterritoriality. The most controversial aspect of this is the Senate provision that would, under certain circumstances, allow the U.S. to ban imports from companies in (allied countries) which were judged to have broken controls agreed by the U.S. and its Nato and Japanese allies in the Paris-based Co-ordinating Committee (CoCom). Under European protest, the Senate watered this down to allow import bans only where a majority of CoCom members agreed that CoCom rules had been flouted.

● Unilateralism. House and Senate bills contain different provisions for the dropping of unilateral U.S. controls, imposed for foreign policy purposes, if those controls are being undermined by sales from non-U.S. sources. This restraint on Presidential action is welcome to U.S. industry.

So far, most of the protests have been about what might be, rather than what is, the case, according to Mr William Archey, the Commerce Department administrator of export controls. But even under the existing system, he admits that licensing has slowed down.

The number of applications for licences to his department has increased from 76,000 in 1982 to an expected 95,000 this year, partly because more small companies became aware of the need to comply with the new rules and partly because of a surge in sales to China, now that U.S. rules on exports to China are being relaxed.

But despite the Administration's campaign against undesirable exports, the percentage of licences refused was constant or falling.

"Most of the people in the business community, particularly the large companies, have just as much concern about national security as do we," he adds. "There is a lot of rhetoric."

Rhetoric or no, the arguments over control of trade in high technology that is dividing the Western alliance itself is far from settled yet.

'Unless we deliver, customers will go elsewhere'

EXISTING U.S. export regulations are not only failing to prevent the transfer of strategic high technology to Communist countries, but are also hampering the legitimate export activities of hundreds of American manufacturing companies, according to U.S. electronics industry executives.

They say they have lost business—or expect to do so—because of lengthy delays, and in some cases the denial, of export licences to Europe and Asia on products ranging from semiconductor chips to mainframe computers.

"At a time when the country is facing a high trade deficit, our government is placing impediments in the way of major export sales by delaying export licences and proposing legislation that is counter productive," says Mr Gary Arnold, vice-president of National Semiconductor, a major semiconductor and computer manufacturer.

"We have been trying for months to obtain an export licence for a computer that we want to send to our own plant in Singapore," says Mr Arnold.

For several months, the Department of Defence has—unofficially — been reviewing export licence applications for computer equipment, according to several industry executives.

"The delays are hurting our business," says Mr Arnold. "I have seven licence applications that are critical. Each covers a computer order worth $3.5m-$4m. The customers have said that unless we can deliver they will go elsewhere, but the export licences have been delayed."

The computer export orders come from non-Communist countries in Europe and Asia, including Britain.

Ironically, the computers for which National is seeking licences are made in Japan by Hitachi and do not normally touch U.S. soil en route to an overseas customer.

Mr Arnold says export licence applications which used to take about 30 days for the Commerce Department to process are now being delayed for several months.

Other leading companies tell similar stories: IBM says that it is experiencing unusual delays in receiving export licences to countries such as Hong Kong, Singapore, Finland, Sweden and its Western allies in CoCom, the co-ordinating committee on exports to the East.

Last week it emerged that Digital Equipment, a major U.S. mini-computer manufacturer, has had its general distribution export licence revoked for exports to Norway, Austria and West Germany. According to industry sources, these countries are regarded as price "diversion points" where computer systems can change hands quickly and be smuggled into Eastern bloc countries.

Semiconductor production equipment exports are also being held back. "We were recently denied an export licence to Hong Kong," says Mr Larry Hansen, vice-president of Varian Associates. The company has also had problems in exporting to South Korea.

At the other end of the technology products scale, a U.S. subsidiary of a British company has been unable to obtain an export licence to sell personal computer add-on products in Finland.

Such problems are spurring an industry-wide effort to influence the regulatory and legislative framework.

A coalition of electronics industry trade associations, formed in January, is focusing on three issues: foreign availability, distribution licences, and technology transfer.

The foreign availability issue concerns U.S. restrictions on the export of products despite the fact that similar ones are already being manufactured in foreign countries. This is a particularly sore point within the industry.

"Our industry is fighting for its life against Japanese competition an dour Government is threatening to destroy our competitive edge," says Larry Hansen.

Manufacturers say the most frustrating aspect of the export regulations is the fact that they do not achieve their goal of restricting the flow of technology to unfriendly nations. Mr Hansen maintains that the Soviet Union can buy all the semiconductor production equipment it wants in Europe and Japan.

Mr Loren Sorensen, chairman of an industry lobbying committee, complains: "The foreign availability of goods is supposed to be considered when an export licence application is made. In practice, however, it is never done."

The industry groups want to place the onus on the Government agencies to prove that a product is not available from non-U.S. companies, rather than to force the U.S. manufacturer to prove that it is.

The second major effort is to oppose recent Commerce Department proposals to tighten eligibility requirements for distribution licences.

Under the Commerce Department's proposed plan, the use of distribution licences would be restricted to companies with a proven record of complying with export controls.

Individual export licences would also be required for certain types of equipment that currently can be shipped under distribution licences. These would include semi-conductor production equipment and semiconductor devices. Exports to any country except Nato members (excluding Spain), New Zealand, Australia and Japan would also require special licences.

"The administrative burden upon small companies would be overwhelming," says Mr Sorensen. He also predicts that, if implemented, the new regulations would result in a 50 per cent increase in the 90,000 individual licence applications now processed annually.

Technology transfer control is an ill-defined area that deserves attention, manufacturers acknowledge. But executives are very worried about proposals that would preclude the transfer of technology—written, spoken or visual—from a U.S. parent company to overseas subsidiaries without an export licence.

"Am I going to need an export licence to talk to one of our people in Scotland?" asks Mr Gary Arnold of National Semiconductor rhetorically. Discussing technology with a prospective overseas customer would also seem to require a licence, as would the transfer of U.S. employees to foreign countries.

Anxiety is mounting among manufacturers as the legislative battle over high technology exports reaches a climax in Washington. There is a growing fear that the results could be severe for U.S. electronics trade.

Customs procedures are high upon the list of industry complaints. "The U.S. Customs Department is measuring its success in preventing illegal shipments of high-tech goods by the number of detentions its officers make," complains Varian's Mr Hansen.

"The problem is that their people do not know what they are doing. We had a cancer therapy system en route to South America detained by Customs. The ship went off without the equipment and we had to air freight it to the customer. That cost us $15,000."

Customs officials acknowledge that they have made mistakes. "But our record is improving; 66 per cent of operation Exodus detentions now result in seizures, as compared with 50 per cent a year ago," says Mr Tom Boyd of the Customs Department in San Francisco.

Despite his claims, and efforts by the Customs Department to "form a close relationship with industry," electronics manufacturers say they have yet to notice any improvement.

Louise Kehoe in San Francisco

Men and Matters

Osborne sells software softly

Adam Osborne, the power of the portable computer, is back in business. He has a venture to revolutionise the computer software business.

Although his company's bankruptcy last year is a bitter memory for the personal computer business, his personal magnetism, and his ability as an old journalist to hold interesting Press conferences, is ensuring that he is being listened to.

He has sprung a surprise by forming a new company called Paperback Software in the U.S.

He intends to use the company to publish and distribute personal computer programme products written by individuals or software companies. He has worked out what he calls a "creative financing scheme" to back the venture.

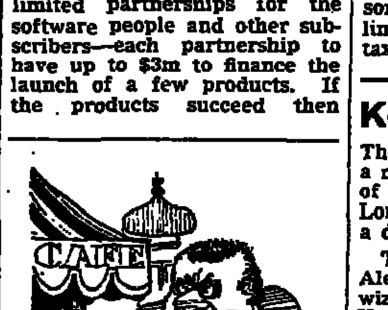
Paperback Software intends to form joint ventures with limited partnerships for the software people and other subscribers—each partnership to have up to $3m to finance the launch of a few products. If the products succeed then Paperback Software will buy out the partnerships in return for equity.

As Osborne sees it, everybody will win. The partners will get a sizeable tax write-off in the first year, some royalties in the second year, and an "equity hit," Osborne promises, in the third year.

He claims authors will enjoy higher-than-average royalties while his own company, he agrees, cannot lose.

Osborne does seem to have identified a need within the software industry for better marketing. There are too many software companies, says my Silicon Valley watcher, and many of them have no idea how to market their products.

However the U.S. internal revenue service is likely to have some questions to ask about the limited partnership idea and its taxation implications.



"He's here just in case you're thinking of with holding payment"

Kobler's chair

The circumstances surrounding a new chair in the management of information technology at London's Imperial College have a distinctly east European ring.

The new professor is Igor Aleksander, aged 46, a robotics wizard whose parents were Yugoslavian refugees.

His tenure at the college is being made possible, in turn, by octogenarian millionaire Fred Kobler, who cam? to Britain from hs native Czechoslovakia after world war two.

Kobler, who was a private in the Czech army, did not let his background stand in the way of ammassing a fortune. He is best known for his business partnership in the 1950s with the late Sir Maxwell Joseph—the pair built up what eventually became the Grand Metropolitan hotels and leisure group.

The Czech emigre, who now has a West End penthouse and a country mansion, has long wanted to support an activity which would help give Britain new commercial impetus.

About two years ago be heard the magic (if mysterious) words Information Technology—which I am told covers almost anything to do with computers and telecommunications.

From that came the concept of equipping Imperial College with a complete new department to concentrate on the industrial opportunities in IT.

A trust set up by Kobler will give the new unit some £40,000 a year. The Department of Trade and Industry is chipping in with £160,000 over five years. Sufficient to employ Aleksander (currently at Brunel University) and four lecturers.

On parade

One business that is always prosperous is the supply of military uniforms, medal ribbons and insignia.

Philip Frost, a director of a company that has been in the trade for nearly 300 years, and built its strength during the golden days of Empire, is now finding a new market in the Third World.

Frost's company, Toye, Kenning and Spencer, has made a five-year deal with Mozambique to supply its armed forces—and to stay on as consultants when Mozambique switches to home production.

Frost says: "The deal involves designing and making uniforms and insignia for all ranks. It extends even to pennants and plates for the presidential motor cars."

Frost was President Samora Michel's guest when Mozambique signed its non-aggression pact with South Africa earlier this month, and the President wore a ceremonial uniform designed at Toye's factory at Bedworth, Warwickshire.

The deal will keep the company's 700 Warwickshire labour force busy, always assuming the British military style remains in vogue in that corner of Africa.

Sheep may safely graze

The whimsical quirks of EEC regulations constitute an area of more than passing interest during the present crisis.

The latest development is that the Falklands Islands administration is anxiously awaiting a decision from Brussels — whether or not the islands' "sheep meat" (that means lamb) can be marketed in Britain or in Europe as a whole.

In order to permit the trade tests have to be conducted on the meat by British scientists. However, that rule could bring the whole project to a halt. Under EEC regulations only meat slaughtered in an abbattoir can be imported into Britain. And the Falklands has no such facility.

There the project sticks. From the far-off Falklands the small voices of officials are to be heard saying, "We are exploring various channels."

Family matter

There was a Hambro (Rupert), a Strauss (Julius) and a Turnbull (Derek) in the dark panelled boardroom yesterday as Hambros struck its deal with Strauss, Turnbull.

And no surprise that the two family firms should have come together in this way.

The Strausses, the Turnbulls and the Hambros have been doing business with each other for decades usually with the first two families acting as brokers for issues put together by the third.

And when Hambros began scouting around for a partner in the great City shake-up it was drawn to a family-run business. "They have the same nature as us," says Rupert Hambro, though his bank is now publicly quoted.

Observer

POLITICS TODAY

The rise of the House of Lords

By Malcolm Rutherford

ONE OF the oddities about current British politics is that while the Government has a massive majority in the House of Commons, it is far from secure in the Lords.

It is even odder when you consider that it is a Tory government which cannot count on getting its way in the upper chamber. Indeed it is almost like chapters from the past in reverse. The Lords used to be the place of the Tories' last stand.

Moreover, in all sorts of other ways the reputation of the House of Lords is on the way up. In contrast to the Commons, it comes out as dignified and detached in the sound broadcasts of Today in Parliament. Attendance has been rising: on many afternoons it is now fuller than the elected chamber. Sessions have been lengthening. And it is shortly to lead the way in allowing the televising of its activities.

Such thoughts came to mind as the Government suffered another defeat on an amendment to the Telecommunications Bill in the Lords on Monday.

The conventional wisdom is thus being stood on its head. As recently as 1968 a (Labour) government white paper on the reform of the Lords stated: "The Tories have always in modern times been able to command a majority."

Change set in shortly afterwards. Mr Heath's administration of 1970-74 was defeated in the Lords 25 times. Mrs Thatcher's first administration was defeated 45 times. Her second administration has been defeated nine times since December 5 last year.

It is certainly no longer true that the Tories have a built-in majority: more likely, the opposite. For all sorts of reasons (deaths, new creations, leave of absence) the figures keep fluctuating, but here is a rough guide to the present state of play.

At the end of last week the composition of the House of Lords was as follows: Archbishops and Bishops 25, Peers by Succession 764, Hereditary Peers of first creation 32, law lords 20 and Life Peers under the 1958 Life Peerages Act 353. That makes a total of 1,194 and represents no great change in the last few years.

> Vol. 449 No. 94
>
> Monday 19 March 1984
>
> PARLIAMENTARY DEBATES (HANSARD)
>
> **HOUSE OF LORDS**
>
> *OFFICIAL REPORT*
>
> **The Budget and Income Distribution**
>
> 2.48 p.m.
>
> *Lord Diamond*: My Lords, I beg leave to ask the Question standing in my name on the Order Paper.
>
> *The Question was as follows:*
>
> To ask Her Majesty's Government what is the net effect of the Budget proposals on the inequality of incomes in the United Kingdom as measured by the Gini co-efficient.
>
> The Chancellor of the Duchy of Lancaster (Lord Cockfield): My Lords, I regret that it is not possible to estimate the full effect on the Gini co-efficient of the effect of my right honourable friend's Budget proposals on the distribution of personal incomes. But I have no doubt that people at all levels of income will benefit from the comprehensive programme of measures which my right honourable friend put forward last Tuesday.
>
> Lord Diamond: My Lords, I am grateful to the Chancellor for the trouble that he has taken. But does that Answer indicate that the Government came to a conclusion with regard to this year's Budget without considering that the totality of its effects was going to be in terms of a further widening or narrowing of the inequality of disposable incomes? If they did so, can the noble Lord give us the results of their deliberations? If they did not do so, does this not indicate that the Government are quite prepared to see the continuation of the direction which has already been formed by previous Budgets, of redistributing the burden of taxation from the comparatively well-to-do on to the shoulders of the comparatively poor?
>
> Lord Cockfield: My Lords, the main purpose of the Budget proposals was to improve the efficiency of operation of the British economy. That will produce in due course changes both in the absolute level and in the distribution of incomes. Those changes, which will be to the benefit of the British people as a whole, can only be measured after the event. So far as Gini co-efficients for past years are concerned, they reflect not only changes in taxation, but also changes in the distribution of pre-tax incomes, including the effects of demographic changes.
>
> Lord Thorneycroft: My Lords, is my noble friend aware that, whatever happened to the Gini co-efficient, it was a jolly good Budget?
>
> *Lord Cockfield: My Lords, I entirely agree with my noble friend.*

At the end of 1983 the total was 1,199. Within that sum House of Lords officials calculated that 928 members were potential participants. Attendances on the four sitting days last week averaged 338, though that figure, too, conceals fluctuations.

Some members turn up nearly all the time, some only when their special interests—like defence—are involved, some very seldom and some not at all.

In the 1982-83 session, for example, there were 94 sitting days. Lord Leatherland, the Earl of Orkney and the Earl of Shannon attended every one. None of them are exactly household names, even among students of politics. Lord Barber, a former Tory Chancellor of the Exchequer, attended only once and Lord Carr of Hadley, another former senior Tory minister, only twice.

It is also hard to be precise about party allegiances. But a recent count suggests the following breakdown. The Government has 418 supporters. There are 219 independents or cross-benchers. Labour has 136 and the Social Democrats and the Liberals each have 41. Bishops and law lords are excluded from the figures.

On the assumption of a straight fight—Government versus the rest—the Government is clearly in a minority. But the assumption begs a lot of questions: a straight fight is very rare. Much depends on the vagaries or individual decisions of who turns up. Nor can it be assumed that all the independents are always anti-government.

It cannot be assumed either, however, that all the Tories will always support a Tory administration. One of the most famous Lords' rebellions in recent times was led by the Conservative Duke of Norfolk during Mrs Thatcher's first term. The Lords succeeded in preserving free transport between home and school in rural areas, much against the Government's wishes.

So what you have is a very fluid situation: votes in the Lords could go any way. There is not even a practice, as there is in the Commons, of ruling out amendments. Any amendment to a Bill may be discussed.

There are other distinguishing features. The discipline of the party whips does not run very far. Members cannot be easily cajoled by the offer of future rewards as they can in the House of Commons. They have had their reward already by being in the House of Lords in the first place.

They are also free of constituency pressures. A large company can organise an all-party lobby in the House of Commons by claiming that jobs are threatened—or promised—in members' constituencies by government policy. For good or ill, the Lords are above all that. They are supposed to take the macro, rather than the special interest, view.

Again, there is a range of issues increasingly coming before Parliament on which the Lords have greater collective expertise than the Commons. Essentially, they concern areas where the law has to catch up with the new technologies. They also concern civil liberties.

Examples include the Data Protection Bill, the Cable and Broadcasting Bill, the Bill on video "nasties" and even the Police and Criminal Evidence Bill. For instance, the reason why the police have been able to head off so many potential pickets in the present miners' dispute must clearly be due to their greater use of computers. Who is to say how far the state should be allowed to rely on the new technologies if the evidence collected is directed against the freedom of the individual?

One of the Government's defeats in the Lords in the last few weeks was on telephone tapping. The Lords rejected a clause on the subject which was in the Telecommunications Bill and the Government has accepted that there must now be separate legislation. In the last resort, perhaps it is the Lords who defend the people's interests.

Yet have not the Lords themselves become prima donna-ish, protecting special interest of their own? The evidence of the speeches in the debate last December, which resulted in a vote in favour of televising their activities, suggests that there is a little bit of truth in that. Many Lords argued the case for televising the whole of Parliament outright. But there was also a subsidiary argument. It was that if the Lords could be seen on the screen, the case for the abolition of the upper house might be diminished because it would be more widely appreciated how essential they are to the body politic.

All sorts of consultations have been going on since with the relevant authorities such as the BBC and the IBA. There are all sorts of technical problems like the low level of lighting in the House: it looks like candlelight. The television companies are not ready to invest in the best remote-controlled equipment without the assurance that televising will be permanent. Still, it looks as if screening will go ahead for an experimental period, probably starting early next year.

In that case, the Lords will have thrown back the buck to the lower chamber. Does the House of Commons want to be televised as well, or will it admit that the Lords are more progressive?

There are more questions than answers in this article, but the fundamental point is this. It is very unlikely that the Lords will be either fundamentally reformed or abolished in the remotely foreseeable future.

Almost anyone can think of desirable reforms: the problem is implementation. First, there has to be agreement on what the reforms should be. Second, they have to be approved by the House of Commons and that takes a great deal of Parliamentary time even if agreement is theoretically possible. Third, Labour and the Tories would be almost bound to gang up against any basic change.

The only grouping in favour of constitutional reform is the Alliance, and it has no power—except perhaps in the Lords. So reform on the grand scale is out. Abolition is probably out because it seems to me inconceivable that the Labour Party would risk jettisoning its chances of a return to power by again putting a commitment to getting rid of the second chamber without saying what it would put in its place.

Thus in the words of Lord Soames, the Conservative Peer, we are stuck with the House of Lords in its present form, warts and all.

How well it will go down on television may be judged from the accompanying block. No one in the Commons would be allowed to get away with a question about the Gini co-efficient, without shrieks of derision, and certainly without saying what it is.

Yet perhaps putting the Lords on the box might simplify their language, just as putting the Commons on television might improve its behaviour.

Incidentally, the Gini co-efficient, as subsequently explained by Lord Cockfield, can most easily be understood "by considering the Lorenz curve of the income distribution. The area between the Lorenz curve and the diagonal line of complete equality, as a proportion of the triangular area between the curves of complete equality and inequality, gives the value of the Gini co-efficient."

Lombard

Not so simple for the taxpayers

By Clive Wolman

IT WAS remarkable how easily Mr Nigel Lawson, the Chancellor, convinced both his own party and the Opposition to accept his Budget as one of "radical tax reform."

For he ruled out, even as a long-term objective, any "root-and-branch" changes to our income-based system.

His aim was to remove some of the major anomalies, complexities and distortions within the tax system. In the field of savings and investment, at least, his achievement can be measured against the criterion of fiscal neutrality defined so rigorously in a study produced the previous week by the Institute of Fiscal Studies.

In one area he moved away from fiscal neutrality towards greater distortions by increasing the tax concessions on share options. This move conflicts both with the Government's belief in "clean" salaries rather than perks and its "hands-off" economic philosophy.

Another indication of the superficiality of the budgetary moves towards fiscal neutrality was given this week by the Treasury announcement of a new issue of National Savings certificates with a special tax exemption.

Mr Lawson's most conspicuous reform was the abolition of the topping-up subsidy to life assurance premiums. The underlying distortion in the taxation of life policies, however, has been left untouched.

The income from the investment made by the insurance company on behalf of the policy-holder remains subject to corporation tax at an anomalous rate of 37½ per cent. In practice the life companies pay a much lower rate through their ability to offset expenses. The companies' capital gains are also subject to tax but generally at a lower effective rate than the standard 30 per cent for as long as there is a net inflow of funds.

Because the returns are taxed once within the fund, there is no futher tax charge when they are paid out to the policyholder.

The result of the abolition of the subsidy is that all non-taxpayers and most basic-rate taxpayers will now be taxed more heavily by investing through an insurance company than through other media. But for higher-rate taxpayers an insurance company remains an important tax shelter. From now on, to decide rationally whether to invest through an insurance company or not, an investor will have to forecast what tax band he will be in over the length of his contract and whether the Budget reforms are likely to curtail the inflow of funds to his chosen company leading to an increase in its CGT bill. This is hardly "making life a little simpler for the taxpayer." Mr Lawson's declared aim.

Mr Lawson also introduced tax reforms to encourage companies to raise capital by issuing bonds. To compete with Government gilt-edged securities for the attentions of the wealthier private investor, such bonds would need to bear low coupons.

Mr Lawson's objectives were as follows:

- To create fiscal parity between bonds and gilts—but low-coupon bonds will be heavily penalised alongside low-coupon gilts;
- To remove the bias in favour of institutional investment—but corporate bonds will now be atractive only to tax-exempt pension funds;
- To simplify the system—but the new rules for low-coupon bonds are among the most complex in UK tax law.

At the root of most of these problems, and the other distortions in the taxation of savings and investment, lies the conceptual difficulties of distinguishing between investment income and capital gains. The distinction is crucial because capital gains, after inflation adjustment and the £5,600 annual exemption, are taxed so much more lightly than investment income—even after the abolition in the Budget of the 15 per cent surcharge.

Mr Lawson has given no indication of a long-term plan for getting to grips with, or eliminating, this all-pervasive dichotomy.

Letters to the Editor

Trading on Sunday

From the Director, National Consumer Council

Sir,—Congratulations on the good sense of your editorial on shop hours (March 12): shopkeepers should be allowed to choose their own hours of opening. I was sad, however, to see the chairman of the Retail Consortium's response (March 17)—in particular, his castigation of those who believe in the removal of restrictions as "free market theoreticians." For years, the NCC has been hearing businessmen complaining that there are too many government restrictions on businesses. There could hardly be a more direct restriction than to forbid shops to open when they choose. Yet the retail establishment continues to clutch its chains to its bosom. I am sure many people in retailing don't want to open their shops on Sunday; many consumers don't want to shop then. But what is the world coming to when our shopkeepers argue that it should be a crime for a willing seller to offer to a willing buyer goods that do no harm?

I notice, too, that Massachusetts has joined Scotland and Sweden on the list of places with which, the Retail Consortium believes, on no account must comparisons be made. I have a private nightmare that I shall spend the next 20 years watching the rest of the civilised world liberalise antique and absurd shop hour restrictions, while retail spokesmen here go on saying that conditions elsewhere are completely different and that, of course, England and Wales are much more like, say, Poland than Scotland or the U.S. I just hope it doesn't happen.

Jeremy Mitchell.
18, Queen Anne's Gate, SW1.

Publish and be praised

From the Deputy Chairman, Inland Revenue

Sir,—Mr Roger White (March 19) asks for clarification of the application of Crown copyright to material published by the Revenue.

As a general principle Crown copyright applies to all official material produced by Government departments. Its purpose is of course to protect such material from unauthorised commercial exploitation at the expense of taxpayers generally. The Press notice which Mr White mentions simply drew attention to the fact that a document we produce and sell to the public is protected in this way. But our arrangements with Her Majesty's Stationery Office (HMSO), which administers Crown copyright, are designed to ensure that the application of copyright is not unduly restrictive.

Since we welcome a wide readership for our publications we rarely withhold our consent to their reproduction, once we have satisfied ourselves that what is to be reproduced is correct and that its proposed use would not be misleading. HMSO then considers each case on its merits, charging a copyright fee if appropriate.

If Mr White cares to approach us about particular publications I am sure that he will find us and HMSO as helpful as we reasonably can be.

J. M. Green.
New Wing, Somerset House, Strand, WC2.

Life assurance premium relief

From the Chairman, Life Offices' Association.

Sir,—The Life Offices' Association together with the Associated Scottish Life Offices and the Industrial Life Offices Association applaud the support for the retention of life assurance premium relief (LAPR) expressed by Mr Kennedy, the national officer of the Association of Scientific, Technical and Managerial Staff in his letter of March 21.

In one respect, however, Mr Kennedy is totally wrong. The life insurance industry has not, contrary to what may have been implied in the Press and elsewhere, accepted the withdrawal of LAPR with resignation.

The three life associations recognise fully the importance of premium relief as an important encouragement for individuals to take out life assurance protection for their families and to save for the future on a long term contractual basis. Withdrawal of premium relief will be harmful to the small saver for whom life assurance is the only practicable way of accumulating savings in a wide range of investments.

The associations made representations to Government both before and after the Chancellor's announcement and will continue to do so.

M. H. Field.
Aldermary House, Queen Street, EC4.

Mr Scargill's folly

From Mr J. Little,

Sir,—Perhaps you would allow me to take up a few points in your excellent article "Mr Scargill's folly" (March 19).

You quite rightly call for reasonableness in this dispute, on all sides including the police. Surely, however, as far as the police are concerned one must assume that they have studied the law very carefully (recently enunciated by the Attorney General) concerning their powers in turning away pickets.

This leaves the National Coal Board and the National Union of Mineworkers. The Board, advised by its public relations committee—and in a conciliatory gesture—decided to postpone its previous decision to press its action for contempt of court. Thus it has, in effect, followed your advice.

Here was an opportunity for Mr Scargill to respond in kind and "resume a sensible dialogue." But what happened? He immediately called it a victory for the solidarity of the union and sought to represent this as a defeat for the Board.

In view of his continuing hostility and truculence, Mr Ian MacGregor can only begin to wonder whether any dialogue is possible with Mr Scargill. How right you are therefore to say that Mr Joe (now Lord) Gormley would never have battered his head against a brick wall in this manner, and which, as you say, can only lead to an ultimate humiliation for not only Mr Scargill but also, unfortunately, very serious consequences for his fellow miners who must be beginning to have serious misgivings about his leadership (or lack of it).

J. S. Little.
Orchehill Cottage, Orchehill Rise, Gerrards Cross, Bucks.

Agricultural prices

From Mr J. Haile

Sir, — Alas, Mr Philip Oppenheim's arguments (March 13) continue to undermine his case for government control of agricultural prices at levels which would not be seen in a free market. Leaving aside natural disasters, the major cause of the poor performance of the agricultural industry in developing countries has been government control of prices below market levels. The effects of interference in a market by holding prices too high or too low are always pernicious, and particularly so in an industry such as farming, whose productive capacity is so elastic.

Mr Oppenheim's inability to think of any industry that can be efficient or productive without a reasonable knowledge of what prices will be (ie, price controls) leaves me wondering how agriculture survived in western Europe before the implementation of the CAP. The coincidence that consumers in developed countries are invariably well fed is not due to farm prices support systems but to the fact that they are sufficiently well off to afford the luxury of a pampered agricultural sector.

Mr Oppenheim's only answer to the distortions caused by the CAP is to propose further controls and subsidies. And when these have produced further distortions in their turn, what then?

J. P. W. Haile.
16, Leighton Avenue, Pinner, Middlesex.

Funding fighter aircraft

From the National Organiser, Aerospace, Technical Administrative and Supervisory Section, Amalgamated Union of Engineering Workers,

Sir,—Trade unions rarely receive recognition for their role in promoting British interests especially in the present political climate! Your report March 13, that British Aerospace is seeking additional funding for the agile combat aircraft (ACA) programme however, prompts me to point out that TASS warned of this possibility last year, when the Government confined its backing for the ACA to the production of a one-off demonstrator aircraft.

Funding an experimental aircraft programme (EAP) which will develop certain technologies using the ACA as the test bed makes absolute sense. The fact that BAe as opposed to the Government is having to finance this development of the UK's air defence requirement is on the other hand a total nonsense.

While TASS has welcomed the Government's decision to fund the A320 the welcome has been cautious. Why? Simply because the £250m which has been loaned to BAe represents only partial funding and as such will put pressure on BAe's financial resources, thus affecting other crucial projects such as the advanced turbo prop the possible involvement in the new RAF basic trainer and of course the ACA/EAP.

The French Government as always is fully committed to the ACX fighter aircraft which it hopes to promote as the obvious candidate to meet the requirements for the five nation future European fighter aircraft (FEFA). Once again the UK is lurching behind with an inadequately financed project (the ACA) despite the fact that our technological lead should make this aircraft the natural choice for FEFA.

The Government seems quite prepared yet again to leave the UK's strategic air defence requirement in the hands of private companies constrained by commercial criteria. To say nothing of thousands of jobs and the resulting expertise which will disappear if the ACA project is grounded. So much for promoting and protecting Britain!

C. Darke.
Onslow Hall, Little Green, Richmond, Surrey.

FINANCIAL TIMES

Friday March 23 1984

HINT OF SOFTER SOVIET LINE ON MISSILES

Moscow may resume arms talks

BY BRIDGET BLOOM, DEFENCE CORRESPONDENT, IN LONDON

THE SOVIET UNION may be preparing to soften its position on the resumption of the European missile talks in Geneva, broken off in November after the initial deployment of U.S. cruise and Pershing nuclear missiles in Europe.

Moscow may be prepared to return to the negotiations if Nato agrees to freeze the deployment of the new U.S. missiles at their current low level.

This suggestion has been made in private meetings by a senior Soviet official visiting Britain. A similar line has also been taken by an official visiting Paris.

Since the Soviet delegation walked out of intermediate nuclear force (INF) talks last November, the Soviet leadership has taken the hardline position that negotiations could only resume if Washington withdrew the new missiles.

This was the position first enunciated by the late President Yuri Andropov. Mr Konstantin Chernenko, the new Soviet leader, reiterated it only two weeks ago.

For this reason alone, Western arms control officials are treating the possibility of a change in the Russian stance with caution, even scepticism. The suggestions put forward by a senior official of the Soviet Institute of the U.S.A. and Canada were, however, made in the presence of British Foreign Office officials.

The Soviet official said he was speaking personally but few Soviet experts believe that such suggestions could be made without higher authority.

The Soviet official said that in return for U.S. agreement to freeze Euromissile deployments, Moscow would agree to halt its counter deployments, set in train after the Geneva talks broke down.

These are believed to involve stationing shorter range SS21 and SS22 nuclear missiles in East Germany and Czechoslovakia as well as an increase in the deployment of Soviet nuclear submarines near the eastern seaboard of the U.S.

Nato has recently resigned itself to the probability that Moscow would refuse to return to the INF talks until after the U.S. elections in November. Officials said this week they believed that the suggestion of a freeze should probably be seen as a "mild kite-flying," possibly to see what flexibility there was in the Nato position, but more likely designed to refurbish Moscow's flagging image as reasonable negotiators.

It as also suggested that Moscow was again trying to appeal to the European peace movements over the heads of their governments. A freeze could appeal for example to many in the Netherlands, whose Government faces a political row as it tries to decide by July whether to prepare sites for the 48 cruise missiles due to be deployed in 1986.

Western officials say Nato would be unlikely to respond favourably to a formal freeze in cruise and Pershing deployment since its position remains that all missiles can be removed if and when a satisfactory agreement is reached.

Nato plans to deploy 572 cruise and Pershing 2 missiles by the late 1980s to much more than 343 triple-warheaded Soviet SS20 missiles.

Patrick Blum writes from Vienna: The Warsaw Pact nations yesterday accused Nato of failing to take the Vienna talks on force reductions in Europe seriously and of using them as "a cover for military preparations."

In a strongly worded statement on behalf of the Warsaw Pact nations issued after yesterday's second session of the current round of talks, Mr Josef Sestak, the Czechoslovakian ambassador, said the Western powers were intransigent and showed a lack of political will to compromise.

He suggested that the Warsaw Pact might have to reconsider its participation in the talks if there was no further progress when the current round of negotiations ends.

"Negotiating for the sake of negotiating is unacceptable to the socialist countries. It constitutes a complete waste of time, and is misleading the world public," Mr Sestak said.

He also expressed disappointment that there were no new Western proposals on the table. The Warsaw Pact had put forward a realistic set of proposals last year, he said, and it was now up to the Western powers to respond.

AP reports from Geneva: The Soviet Union has warned that time is running out for a treaty preventing an arms race in space and said U.S. plans for space weapons systems will bring the world closer to the nuclear abyss.

Mr Victor Israelyan, Soviet Ambassador to the UN conference on disarmament, told the 40-nation group that the "crucial moment has arrived and there is only one alternative: either the states concerned will sit down at the negotiating table . . . or the arms race will spread to outer space."

He said that U.S. plans for a space-based anti-ballistic missile (IBM) system would infringe the 1972 Bilateral Agreement and result in a new round of the strategic arms race.

The Soviet Union is convinced, he said, that measures to prevent an arms race in outer space could be elaborated at the current session of the disarmament conference.

Progress on Polish debt arrears

By David Buchan in London

POLISH and Western government officials seemed to move nearer a multi-year rescheduling of Poland's 1982-84 official debt arrears in a meeting in Paris.

This represents a step towards dismantling one element of the Nato sanctions imposed more than two years ago in protest at Polish martial law – a freeze on rescheduling debt officially guaranteed by Western governments.

It still, however, falls far short of Polish demands for new official Western export credit (frozen by Nato sanctions), and of the forward, multi-year rescheduling of Poland's 1984-87 commercial debt recently agreed in principle by Western banks.

The meeting, on Tuesday, is said to have been held in a more compromising spirit than the first Western – Polish debt negotiations last November.

The Polish delegation led by Mr Zbigniew Karcz, head of the Warsaw finance ministry's international department, did not repeat its demand of last year for entry into the International Monetary Fund (IMF) – which the U.S. has been blocking – as a precondition for debt arrears rescheduling.

For its part, the U.S. is said to have dropped its rigid insistence that Polish debt arrears be rescheduled year by year and it agreed with Western allies that a multi-year package was needed.

Poland's official creditors in the Paris Club, however, all still insist that Warsaw must first make good all payments due on the 1981 rescheduling accord, which was interrupted by martial law at the end of that year.

Poland's total debt stands at $27.5bn, according to Western estimates, and is split roughly between obligations to governments and private banks.

Meanwhile, Western governments are to meet in Geneva on Saturday to discuss extending 1984 maturities on their loans to Yugoslavia.

Agreement on this is considered fairly certain, after Yugoslavia's accord earlier this month with the IMF for a further $400m loan and its agreement with Western commercial banks on rescheduling 1984 debt.

Hard cash problems, Page 2

THE LEX COLUMN

Profits bubble at BASF

Doomsday may yet be around the corner for the European chemical majors threatened by new Arab competition, and the slide in the share prices of West Germany's big three since the end of January could arguably be attributed to renewed concern about overcapacity. The fact remains, however, that the huge jump in year-end profits announced yesterday by BASF, and the gains already trumpeted by ICI, Akzo and Hoechst, have matched all but the most euphoric forecasts – and have still left plenty of room for expectations of 25 to 30 per cent growth in 1984. The 61 per cent increase in BASF's parent company pre-tax profits, to DM 896m, has not quite managed to emulate the others' achievement in restoring profits to their 1979 levels. In more important respects, though, BASF's heavily commodity-biased operations have exemplified the European industry's experience. Sales have benefited very little from higher prices but demand in volume terms has picked up additional momentum throughout the year and has prompted a marked jump in operating rates in the fourth quarter.

Reports of the current quarter suggest that these rates – higher than 83 per cent in Hoechst's case – are being sustained while all the price rises announced in the last several months are at last taking effect. Some slowdown in customer restocking must be anticipated, which could reveal an underlying growth rate nearer 3 to 4 per cent than the 15 per cent or so reflecting cyclical recovery. But the key West German economy has revived so slowly to date that it might be rash to base too much on a cycle peaking no later than 1985.

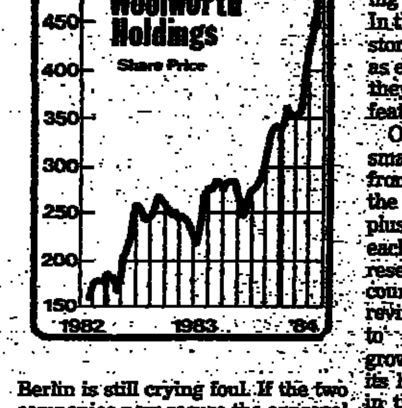
Continuing domestic growth would clearly be more than welcome to the German majors in 1985 as they face up to first shipments from the Middle East. They have spent little in 1983 on any further restructuring and, with most international shares in this sector now trading at eight to 10 times prospective 1984 earnings, the relative attraction of ICI seems little diminished by the Germans' recent prodigious performance.

Rothmans

Philip Morris and Rembrandt appear to have reshuffled the Rothmans pack dextrously enough to satisfy the beady-eyed croupier in Brussels, even if his counterpart in Berlin is still crying foul. If the two companies now secure the approval of the European Court, they will have won a signal victory. The opposition of the West German cartel authorities must seem, by comparison, a minor irritant.

The shareholding reorganisation announced yesterday is largely cosmetic. It establishes that PM will not be able to take control of Rothmans without Rembrandt's approval but, in practice, that was always the case. Meanwhile, the separation of the two shareholdings does not of itself prevent the two companies from voting in unison.

On a fully diluted basis, Rembrandt will speak for 47.1 per cent of the votes, leaving it firmly in the driving seat. Rothmans itself will be a marginal beneficiary, since the switch of £50m of convertible debt into equity will improve the appearance of the balance sheet. The shares dropped 10p yesterday to 130p, wiping out the speculative gains of the previous two days.



Woolworth UK

Woolworth may have some way to go before it can completely shake off its reputation as the blue-rinsed dowager of British retailing. Certainly its latest piece of plastic surgery – known as Operation Facelift – cannot in itself be expected to do more than tighten up the sagging image. But the results for the year to January at least show that the group is earning some money from retailing, and indeed the accounts have been recast in a more than cosmetic way to show a pre-tax profit of £29.4m (versus a restated £6.1m) which is almost entirely arrived at by normal trading.

Under its new accounting procedures, Woolworth is virtuously segregating its retailing profits from those which it makes by trading its extensive property portfolio. In these figures, £38m is taken from store disposals – which are treated as extraordinary items even though they are bound to be a recurrent feature for years to come.

On the other hand, there is a small benefit to the pre-tax line from a corresponding treatment of the depreciation of revaluation surpluses; £1.8m added to profits in each of the last two years may represent the tip of a controversial accounting iceberg. For all that, the revival programme is going well up to expectations – very strong growth in B&Q's do-it-yourself profits helping to support net margins in the Woolworth chain which remain pitifully at less than 1 per cent, after a vicious payment of rent to the parent company. At 473p, up 28p, the shares can equally take comfort from assets of nearly £8 each while awaiting the impact of margin recovery over the next couple of years.

Tricentrol

It is hard to say which party was acting more perversely yesterday – Tricentrol or the stock market. First, the company admitted the weakness of its balance sheet and promptly bumped the dividend up by close to a fifth; then the market, apparently unimpressed by the bounty, dropped the shares 7p to 205p.

Yet the incident did help to illustrate the present confusion in relations between Tricentrol and the City. It seems curious for example that the company's shares are deemed to contain a significant bid premium and yet trade at a greater discount to likely net asset value than those of virtually virtually any other in the exploration and production sector.

Yesterday's preliminary statement might have helped to clear the air. Profits were much as expected, with a halving in the PRT bill helping to lift net income 35 per cent to £24.2m. And at least Tricentrol has signalled its intention to tackle the balance-sheet problem through the sale of perhaps $70m of U.S. assets. But the market is evidently awaiting more tangible evidence of a renaissance before giving Tricentrol the benefit of the doubt. Either a satisfactory conclusion of the Wytch Farm saga or, more immediately, good news from China might provide it.

Liquidation for U.S. currency trader

By William Hall in New York

J. DAVID Company, a Californian firm which invested millions of dollars in the world's interbank markets through offshore operations in the Caribbean, the Channel Isles and Switzerland, has been forced into involuntary liquidation by a U.S. court. The failure could result in losses of more than $100m for 1,500 investors.

A Federal judge in San Diego yesterday ordered that the J. David Company be liquidated under Chapter 7 of the U.S. bankruptcy code. Mr J. David Dominelli, the 42-year-old founder of the foreign exchange trading concern, which is understood to have taken in more than $150m during its four years of operation, did not appear in court. His attorneys said he had no objection to the order, which was sought by investors who have been unable to retrieve their money.

J. David Company's recent success had spread by word of mouth within wealthy communities in Southern California. Claims circulated that investors could earn returns of 40 per cent or more a year by entrusting their money to Mr Dominelli, who reinvested it through offshore companies in the interbank market. An added attraction was that J. David promised investors complete privacy.

According to U.S. newspaper reports, most of the group's records and books were kept outside the U.S. and transactions were routed through offshore subsidiaries, including a bank in the Caribbean island of Montserrat and a mutual fund company in Guernsey. Investors were attracted by the safety from inspection by the U.S. Inland Revenue Service, it appears.

Mr Dominelli, a former broker with Prudential-Bache Securities, and a former colleague, Mrs Nancy Hoover, set up the currency trading operation in 1979 and enjoyed lavish life styles. According to U.S. reports, the couple had six homes, three jets, more than two dozen expensive cars and were active contributors to local charities.

First signs of trouble surfaced late last year when J. David announced that it would charge a 1 per cent management fee for the funds under management rather than take 20 per cent of any profits made, the previous arrangement.

Baldrige to penalise steel from Brazil

BY NANCY DUNNE IN WASHINGTON

MR Malcolm Baldrige, the U.S. Secretary of Commerce, moved against Brazilian steel exports yesterday. He announced that he intended to cancel two export tax suspension agreements on carbon steel plate and wire rod.

The agreements allow Brazil to impose offsetting taxes on steel exports to avoid U.S. countervailing duties. Mr Baldrige announced the tentative cancellation saying "serious deficiencies" had been found in Brazil's compliance, and that the required export tax had not been collected for up to five months.

The announcement is the latest of a series of U.S. moves, apparently designed to limit steel imports from developing countries. Mr Baldrige said he was "slowing way down" on the policy of allowing countries to tax themselves in lieu of paying countervailing duties.

A spokesman at the Brazilian embassy in Washington said the announcement was "unexpected."

He complained that the preliminary Department of Commerce finding that Brazil illegally subsidises overseas steel sales at a rate of 27.42 per cent was "way too much."

Brazil had sought an agreement for a specific share of the U.S. market, similar to the U.S. agreement with the EEC, but it baulked at the U.S. offer.

It levied a tax on steel exports on March 15 after the U.S. found that Brazil was dumping steel in the U.S. market at prices far below their value.

The tax was imposed unilaterally in an attempt to keep negotiations going with the U.S. and the American Government was not informed until after the action.

New York may alter tax rules for banks

Continued from Page 1

However, the proposals would also seek to plug loopholes in the bank taxation rules, which city officials claim have been used by some banks to escape local taxation by allegedly booking loans offshore. In the latest fiscal year, New York City's bank tax revenues dropped to $107m compared with $244m in 1981.

Mr Kenneth Lipper, New York City's deputy mayor for finance and economic development, said the proposals would allow "the collection of taxes in an equitable" way while removing the incentive for banks to allocate income out of state to escape city taxes.

As a package, the plan represents the latest in a series of moves by the city and the state to retain its status as the financial capital of the U.S. and halt the exodus of banking operations out of the state.

Last month, a state commission recommended that New York banks be given wide-ranging powers to enter new businesses such as insurance.

New York bankers have generally welcomed the moves, many of which they have lobbied hard for. Nevertheless, they believe the proposals fall short of satisfying all their concerns.

They would like to see more harmony between state and local tax rates – the state imposes a 12 per cent bank tax rate in addition to a 2 per cent surcharge. They also doubt whether there is the political will to force the changes – particularly in an election year.

Mr Todd Conover, the U.S. Comptroller of the Currency, said he would not renew a moratorium on the granting of national bank charters to securities firms and other non-banks when the current moratorium expires at the end of this month.

The moratorium has been in effect since last April and was designed to stem the expansion of so-called "non-bank banks" ahead of congressional action to clarify the regulation of these institutions and more clearly define their powers.

Congress still has to decide on these and other financial services deregulation issues despite pressure from the banking industry and the regulators, including the Federal Reserve Board.

Despite the comptroller's decision, the Fed is expected to maintain its opposition to the creation of new non-bank banks, institutions which are able to take deposits but not make loans, in the absence of congressional action which, in an election year, is increasingly seen as unlikely.

Howe plans to visit Peking and Hong Kong

By David Buchan in London

SIR GEOFFREY HOWE will make his first visit as British Foreign Secretary to Peking and Hong Kong in mid-April, it was announced yesterday in London. He will seek to advance negotiations over Hong Kong's future less then five months from China's stated deadline for a settlement.

Britain maintains that there is no fixed timetable for the UK-Chinese talks about the British colony's future when the British lease on most of Hong Kong runs out in 1997. But China's repeated intention to make a unilateral statement on Hong Kong's fate by this September puts negotiators under some pressure to show real progress by that date.

Talks about Hong Kong started with the September 1982 trip by Prime Minister Margaret Thatcher and entered their detailed phase last July, since when 10 rounds of negotiations have been held in Peking with the UK side led by Mr Richard Evans, the UK envoy to China. An 11th round of talks is planned next week.

Sir Geoffrey's trip next month may be the occasion for announcement of decisive progress in the tricky Sino-British negotiations, officials have hinted. The discussions have been a closely held secret, but it is generally assumed that China will resume sovereignty over the whole of Hong Kong, not just the leased territories, and that it will offer Hong Kong autonomous, though not independent administration.

In the negotiations, China is believed to have sought a general statement by Britain ceding sovereignty, with details of the colony's post-1997 administration to be worked out later. The British tactic has been the reverse: not to cede sovereignty formally until minimum safeguards for the present Hong Kong way of life are assured.

In Hong Kong last month Mr Richard Luce, the UK minister with responsibility for the colony, said that it was Britain's highest priority that any settlement should be acceptable to the people of Hong Kong.

Sir Geoffrey will meet in Peking Mr Wu Xueqian, the Chinese foreign minister, and Mr Zhou Nan, an assistant foreign minister who took charge of the Chinese negotiating team in Hong Kong at the start of this year.

UK delays payments decision

Continued from Page 1

9.30am, however. Although Ministers were later reported to have spent most of the ensuing three hours discussing EEC problems, it was insisted that they did not at any time consider the question of withholding payment.

Both Mrs Thatcher and Sir Geoffrey Howe, Britain's Foreign Secretary, later indicated in Parliament that they were prepared to see the French initiative as a conciliatory gesture, and both adopted a more conciliatory tone than was evident the previous day.

It is not clear how far the Government's new conciliatory tone indicates a readiness to compromise in order to close the residual gap between Britain and the other EEC member-states.

The government insists there can be no question of accepting West German proposals for a five-year scheme of flat-rate payments to Britain. There could, however, be room for further compromise on the amount of Britain's net contribution, provided the other countries accept a financing system linked to relative prosperity in the EEC.

France takes EEC initiative

Continued from Page 1

ments would be ready to impose a decision on Ireland, because the dairy issue is so obviously one of vital national interest.

With that difficult outlook for agriculture – and the overriding need for agreement because of the deteriorating budgetary situation – the foreign ministers may be required to intervene to prevent a negotiating collapse.

As far as other aspects of the summit package are concerned, there are no signs that the UK would obstruct new policy developments of obvious potential benefit to London, such as industrial co-operation and creating a common market for services. Nor would it object to the measures aiming at tighter control of spending.

World Weather

[illegible]

Readings at mid-day yesterday.

C-Cloudy D-Drizzle F-Fair Fg-Fog H-Hail R-Rain S-Sun Sl-Sleet Sn-Snow T-Thunder

Snow Report

EUROPE

Andermatt (Sw)	145–250 cm	Excellent ski-ing in all areas
Courmayeur (It)	150–270 cm	Slush on lower slopes
Kitzbühel (Aus)	25–155 cm	Lower slopes slushy and worn
Klosters (Sw)	64–165 cm	Off piste conditions improving
Mürren (Sw)	70–190 cm	Good ski-ing at about 2000m
Sauze d'Oulx (It)	45–85 cm	New snow, firm base
St. Anton (Aus)	65–400 cm	Spring snow on south slopes
Tignes (Fr)	152–250 cm	Slush on lower slopes

European reports from Ski Club of Great Britain representatives.

THE U.S.

Aspen (Col.)	31–74 ins	Power/packed powder
Hunter (NY)	20–100 ins	Packed and loose granular
Stowe (Vt.)	17–78 ins	Loose and frozen granular
Sugarbush (Vt.)	7–42 ins	Loose and frozen granular

Figures indicate snow depths at top and bottom stations.

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BASF confident after profits soar over 60%

BY JOHN DAVIES IN FRANKFURT

BASF, the West German chemical group, achieved a big increase in *sales revenue and profits last year*, and is confident about the current year.

The group's worldwide pre-tax profits rose 66 per cent to DM 1.68bn ($635m), while the parent company, based in Ludwigshafen, lifted its pre-tax profit by 61.2 per cent to DM $896m.

The consolidated revenue of the company and all worldwide subsidiaries of at least 50 per cent owned rose 6.8 per cent to DM 37.85bn. The parent company showed an even stronger increase in sales revenue of 13.3 per cent to DM 16.94bn.

BASF said yesterday that its order book and current inflow of orders were much better than a year ago. As a result, the company expected the "positive tendency" in its business to continue.

The company's supervisory board will meet on April 25 to decide on a dividend. Because the recession led to a drastic setback in 1982 profits, BASF slashed its dividend from DM 7 to DM 5 per DM 50 share, but it is widely expected now to increase its dividend again.

The other members of West Germany's "big three" chemical groups, Hoechst and Bayer, have also been making a strong recovery and, like BASF, they have hinted at a dividend increase.

BASF said that the increase in its sales revenue last year arose entirely from higher volume rather than price rises.

Business went ahead strongly in West Germany, North America and Asia, but was not so buoyant in some European countries and South America.

BASF said the big increase in profits was due not only to revival of *demand and better utilisation of* capacity but also to a wide range of restructuring measures taken in recent years.

The company is still making a loss on its oil refinery operations, but rationalisation steps have reduced the deficit.

Almost all areas of business *benefited from the economic revival*, particularly plastics and crop protection. In fertilisers, however, it has been forced to cut prices to match cheap imports.

BASF scaled down spending on investment last year, after completing a number of major projects. Group investment was 18.6 per cent down at DM 1.63bn, while parent company spending on investment fell 10.4 per cent to DM 741m.

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McDonnell warns of delay for satellites

By Paul Taylor in New York

McDONNELL DOUGLAS, the U.S. aerospace group, has warned that problems with its "payload assist" rockets, used to boost satellites launched from the U.S. space shuttle into high orbit could delay planned satellite launches.

The company said it has been unable to determine why two satellites owned by Western Union and Indonesia failed to reach their planned orbit 23,000 miles above the earth after being launched from the shuttle last month.

The space shuttle is to put satellites owned by AT&T, Telesat of Canada, Satellite Business Systems and Hughes Aircraft into orbit, later this year.

Several of the satellite owners are believed to be having second thoughts about using the shuttle until there is a full explanation of *what went wrong during the last* launches.

McDonnell Douglas's study of the failure is focusing on a nozzle manufactured by a subcontractor which it believes may have disintegrated after launch.

The company said that there is "an outside chance" that launches using the McDonnell rocket could be delayed by at least nine months if the part has to be redesigned.

Elsevier earnings rise 25% despite heavy tax

BY WALTER ELLIS IN AMSTERDAM

RESTRUCTURING costs and a heavy tax burden did not prevent Elsevier-NDU, the Dutch publishing group, from increasing its 1983 earnings by 25 per cent, to Fl 53m ($17.96m).

The operating result went up by 45 per cent, to Fl 117m, as a result of an early recovery in international sales, cost-savings, job losses and reduced interest charges.

Elsevier hopes for a further 20 per cent rise in net profits this year. In the meantime, it is proposing a dividend of Fl 10 per share, Fl 1.25 more than for 1982. A bonus payment in the form of additional shares is also to be made, so that one old share at its Fl 20 nominal value will be replaced by six new shares each valued at Fl 4.

Like other Dutch publishers, Elsevier has suffered in recent years from the effect on sales and advertising of the world economic recession. But the company has reorganised and updated its operations substantially and is expanding once more. Cable television is an area it has entered into, and the entry of the Netherlands into satellite television broadcasting could prove important to Elsevier's future growth pattern.

At present, it remains a general publisher of magazines and periodicals in the Netherlands and is one of the largest publishers of scientific magazines in the world.

● VNU, another leading Dutch publisher, and Delta Kabel, a television distribution company, have announced the break-up of their joint venture in the field of satellite viewing. In future, each company will go its own way, with VNU continuing in the satellite sector under the name, ATN.

● NSM, the Amsterdam shipyard, whose fortunes were to have been transformed by a massive order from the Dublin-registered company, Bonna Trading Ireland, has been granted a moratorium on repayment of its debts.

This procedure, similar to Chapter 11 in the U.S., can lead ultimately to bankruptcy but also grants the company time in which to reorganise its affairs. NSM is seeking bank loans worth Fl 24m to help restructure its operations, but requires a loan guarantee from the Government, which is so far not forthcoming.

Bonna Trading has until April 8 to come up with a Fl 90m down payment on an order for prototype ocean-going barges intended to prepare the way for a revolutionary freighter fleet worth as much as Fl 300bn in orders over 20 years. A previous deadline passed without payment being received.

Canadian banks take control of Nu-West

By Robert Gibbens in Montreal

NU-WEST, a troubled Canadian property and energy group, has reached agreement with the Toronto Dominion Bank and the Bank of Nova Scotia on a refinancing plan which transfers 75 per cent of its equity to its creditors.

Nu-West, which expanded rapidly in 1980 and 1981, has halted interest payments on nearly $1bn (U.S.$783m) of debt. Its property and energy assets have had to be written down severely because of the recession. The two banks are its largest creditors.

Under the refinancing plan, senior creditors would convert most of their loans into common stock at a rate above the current market price. Certain interest payments would be defered until the end of 1987

Lower tax charges aid Veba

By Our Bonn Correspondent

VEBA, the diversified energy concern which is West Germany's largest industrial group, yesterday reported a rise in net profits last year to DM 372m ($140m) from 1982's level of DM 339m.

The improved earnings – a result above all of a sharp fall in tax payments in 1983 – came despite a 2.3 per cent decline in group sales to DM 49.4bn. The company plans to pay shareholders an unchanged dividend of DM 7.50 per DM 50 share, and use the surplus to strengthen its reserves.

The decline in turnover primarily reflected a drop in business at Veba's oil and petrochemicals division, down 3.9 per cent in 1983 to DM 13.5bn from DM 14.1bn, and in its trading sector, following the exclusion of foreign-based oil trading activity.

Veba's full 1983 figures come shortly after the Bonn Government has completed the reduction of its stake in the group to 30 per cent from 43.75 per cent, making a profit of almost DM 800m in the process.

Veba said yesterday that its total capital spending last year rose by DM 206m to DM 2.93bn.

Deutsche Babcock moves out of red

BY RUPERT CORNWELL IN OBERHAUSEN

DEUTSCHE Babcock appears to have put the worst of its problems with various Middle Eastern customers behind it, and expects the current financial year to show a further profit. For the year ended September 1983 the company has returned a net profit of DM 24m ($9.19m) compared with a loss of DM 437.4m a year earlier.

Herr Helmut Wiehn, chairman of the West German power station and engineering group, said the company had covered all risks arising from the contracts in Saudi Arabia, Kuwait and Libya.

Deutsche Babcock has embarked on a sweeping consolidation exercise. This will mean not only that the current year, to September 30, will be profitable, but that it will see a significant fall in both sales and number of employees.

During the five months to February 29 the company reported a fall of 10.5 per cent in sales to DM 1.8bn. For the full year Herr Wiehn predicted turnover of DM 7bn, down from DM 8.06bn in 1982/83.

Falling orders, internal rationalisation and the completion of major contracts have produced a sharp cut in Babcock's total payroll.

After shedding almost 3,000 jobs – or 10 per cent of the total workforce in 1982-83, the group reckons that up to 1,800 more jobs could go in 1983-84. This would bring the payroll down to 23,000. In addition nine factories in West Germany have been affected by short time working.

Herr Wiehn indicated that new orders this year were likely to be down about DM 1bn from the DM 7.14bn booked in 1982-83. In the first five months of the current year the order inflow fell almost 27 per cent to DM 2.3bn, cutting the total in hand to DM 10.7bn, down 15.5 per cent on a year earlier.

The group has been particularly hit by a drying up of contracts from Opec countries. This has been accompanied by a halt in new power station orders at home.

As previously announced, the company is paying preference shareholders a dividend of DM 3 per DM 50 nominal share for both 1982-83 and for 1981-82, when a payment was initially omitted after the record DM 388m losses last year.

The vast bulk of profits, however, are being made over to reserves. For the time being the company is planning no capital increase.

Slight advance for Credito Varesino

By Alan Friedman in Milan

CREDITO Varesino, the Lombardy regional bank which is controlled by the Nuovo Banco Ambrosiano group, yesterday revealed a 5.3 per cent rise in its 1983 net profits, to L19.6bn ($12m). The bank's financial results are likely to come under scrutiny because talks are underway at present for the sale of the bank and the transaction is expected to be completed within the next fortnight.

Credito Varesino is one of the plums inherited by Nuova Ambrosiano when it received control of La Centrale, the financial holding company which holds a 39 per cent stake in Varesino as well as control of another private northern Italian bank, Banca Cattolica del Veneto.

La Centrale, which is saddled with more than L150bn of debt stemming from the days when it was controlled by the late Sig Roberto Calvi of Ambrosiano, has received several offers for Varesino, the most prominent being from the Turin-based Istituto Bancario San Paolo di Torino and from the Banca Popolare di Novara. A final decision is expected shortly.

The majority stake in Varesino is likely to be sold for close to L200bn, which would vanquish the La Centrale debt.

Dividend marks strong recovery at NordLB

BY OUR FRANKFURT STAFF

NORDDEUTSCHE Landesbank (NordLB), one of the largest of West Germany's publicly owned regional banks, has marked its recovery from earlier troubles by deciding to pay a dividend after a 10-year break.

Dr Bernd Thiemann, the chief executive, said the 4 per cent dividend was intended to be the forerunner of regular payouts to the shareholders – the state government and savings banks of Lower Saxony.

But he said financial relations with the shareholders were not a "one-way street." The bank had secured agreement in principle that the shareholders would provide extra capital as required for future expansion.

NordLB ran into major problems in the 1970s, mainly because of its efforts to salvage Rollei, the camera-manufacturer, but eventually rid itself of its shareholding and liability.

With the bank's fortunes improving, NordLB disclosed last year that it had repaid the final instalment of an aid package from the state government ahead of schedule.

The bank boosted its operating profit, including earnings from trading activities, by 25.5 per cent to DM 352m ($133m) last year. The entire concern, including associated mortgage savings banks, increased its operating profit by 20 per cent to DM 653m.

The value of balance sheet assets rose 6.8 per cent to DM 83.7bn.

Sweden to sell 15% of PKbanken stock

BY DAVID BROWN IN STOCKHOLM

THE SWEDISH Government is going ahead with plans for a partial privatisation of the state-owned PKbanken, one of the country's largest commercial banks.

A new share issue aimed at raising some SKr 500m ($64m) in new equity will cut the state holding to just below 85 per cent. The group had total assets of SKr 123.3bn at the end of last year.

The share issue was originally announced last November but the Government was forced to delay the move in the wake of the Rainer affair.

Mr Ove Rainer, a former board member and social democratic justice minister, resigned his portfolio in November following a controversy over his personal income tax affairs. Several large "tax planning" loans were granted to him by PKbanken while he was serving on its board.

In December, the Government forced the resignation of the PKbanken chairman. Four directors resigned in protest.

The new chairman, Mr Karl Erik Persson, and two new directors were appointed in January. The remaining two directors were appointed yesterday.

The Bill proposing the share issue passed the Riksdagen (parliament) yesterday, clearing the way for 4.6m new shares to be offered in late May or early June. The issue will be priced on April 16, the group said.

Sun takes stand on takeovers

By Our New York Staff

SUN COMPANY, a Pennsylvania-based oil company which has been regarded as a prime takeover target in the recent oil merger mania, is to increase its flexibility to respond to any takeover offers.

The company's directors have decided to "opt out" of a portion of Pennsylvania's new anti-takeover law which would require a shareholder with a 30 per cent stake to buy the rest of the shares should the remaining shareholders ask him to do so. They said the provision would limit Sun's flexibility in dealing with takeover situations.

Sun, which ranks sixth in size in terms of domestic U.S. integrated oil companies, reported a 16 per cent drop in 1983 net income to $453m, on revenues of $15.5bn.

Disney plans $900m credit line extension

BY LOUISE KEHOE IN SAN FRANCISCO

AN ANNOUNCEMENT by Walt Disney Productions that it is seeking to increase its credit lines by $900m has fuelled speculation that the company may be the subject of a takeover bid.

In early trading yesterday, Disney shares were quoted at $61⅞, valuing the company at $2.1bn.

The takeover rumours began after Mr Roy Disney, son of one of Disney's founders, resigned from the board earlier this month. There has been speculation that he may attempt a leveraged buyout for the company.

Yesterday, Mr Disney revealed in a filing to the Securities and Exchange Commission that he had bought 50,000 Disney shares at the end of last month, taking his holding, including an indirect stake, to 928,061 shares.

Mr Michael Bagnall, Disney's chief financial officer, confirmed yesterday that the company is negotiating with a group of banks to extend its current $400m line of credit to as much as $1.3bn, more than half the market value of the company. The additional credit is being sought for "general corporate purposes," Mr Bagnall said.

A Disney spokesman declined to elaborate on the company's plans, but said that Disney was not aware of any efforts to acquire a major stake in the company, nor was the company planning any acquisitions. He declined to comment on whether the company was considering a stock buy-back.

Lafarge lifts payment

By David Housego in Paris

LAFARGE COPPÉE, the French-based international cement group, has lifted its dividend for 1983 from FFr 12 to FFr 13.50 a share in the wake of higher than expected consolidated profits.

The group, which had previously announced a trebling of consolidated profits to between FFr 220m–FFr 250m ($27m–$30m) said yesterday that net earnings had risen to over FFr 250m last year. This gives earnings per share of FFr 32 compared with FFr 9.71 in 1982.

Advance for Seagram

By Robert Gibbens in Montreal

SEAGRAM, the Canadian distiller, reports earnings from its worldwide spirit and wine operation up slightly in the year ended January 31. Net income from wines and spirits was $119.3m against $117.4m.

However, overall net profit was up sharply because of higher dividend income from Dupont of the U.S. and a higher equity in the American group's own earnings.

Seagrams overall net income was $317.5m or $3.53 a share compared with $239.2m or $2.67 a share a year earlier.

Sales and other income were $2.64bn in the latest year against $2.68bn in the previous 12 months.

Swissair lifts dividend as net profits soar by 46%

BY JOHN WICKS IN ZURICH

SWISSAIR is to increase its annual dividend to SwFr 35 to SwFr 25 and to carry out a two-phased capital increase following a 46 per cent rise in the national carriers' net profits to SwFr 56.3m ($26m) in 1983.

The dividend increase, which is to be recommended at the April 27 shareholders' meeting, marks a return to the pay-out level of the years 1977-1981. In 1982 net earnings plunged by 28 per cent to a seven-year low of SwFr 38.5m, leading to the dividend cut to SwFr 25.

Mr Robert Staubli, the company's president, said yesterday that Swissair's budget for the current year should permit payment of the usual SwFr 35 dividend. He indicated that results might be close to those of 1983.

Share capital is to be increased initially by a nominal SwFr 42m to SwFr 506.7m by a one-for-12 rights issue. Subject to approval at the general meeting, this would be carried out by the offer of new registered and bearer shares of SwFr 350 nominal value at an "attractive price" of not more than SwFr 600 each.

Capital would subsequently be raised by a further SwFr 21.9m by the issue, without subscription rights, of 62,500 bearer shares, also of SwFr 350 nominal value. These would be earmarked in connection with a possible option loan by Swissair Beteiligungen, the holding company for subsidiaries.

Swissair's turnover rose by 4.4 per cent last year to SwFr 3.7bn, of which almost SwFr 3bn was accounted for by flight operations. At the same time, costs increased by only 2.4 per cent, which led to a 29 per cent improvement in gross profits to a record SwFr 231.8m. Total depreciation was raised to a new high of SwFr 276m.

Affiliated charter airlines, Balair and CTA, whose operations brought consolidated turnover up to about SwFr 4bn, booked "encouraging results."

Mr Staubli said the deficit on Swissair flight operations last year fell from SwFr 69m to only SwFr 10m. The average overall load factor had improved to 63.8 per cent, or almost exactly the break-even point.

National Process on verge of liquidation

By Our Johannesburg Correspondent

NATIONAL PROCESS Industries, the group controlled by Mr Oliver Hill which through a subsidiary, National Explosives, holds the South African licence for Du Pont's Tovex explosives range, is on the verge of provisional liquidation, dragged down by rising losses at its fertiliser arm.

Mr Hill's group manufactures ammonia-based fertilisers at its subsidiary, Swaziland Chemical Industries, which was placed in provisional liquidation early this month on instructions from the Swaziland Government. The company, which owes about R31m ($25m) to Barclays Bank of Swaziland and Standard Bank of Swaziland, was severely affected by a drought-induced sharp decline in fertiliser demand and the arrival of several new fertiliser companies.

Last year National Explosives won an order from the Competition Board instructing the mining industry to terminate the exclusive explosives supply agreement it had with AECI, the country's largest explosives group. This failed to achieve the desired result as far as Mr Hill was concerned, and in January he attempted to sell National Explosives to AECI.

The plan was prohibited by the Competition Board and Mr Hill, in a final attempt to raise cash to prop up his fast declining fertiliser interests, turned to other potential buyers of National Explosives. Abercom, the industrial holding company, was mooted as a possible buyer.

Registration of Monarch shares banned

By Our Financial Staff

THE NATIONAL Companies and Securities Commission of Australia yesterday won an interim order from the Victoria Supreme Court in Melbourne preventing registration of the shares of Monarch Petroleum, a small Western Australian exploration company, and of other companies in the Magnet group to which it belongs, traded on March 14.

On that day, a forged company announcement, claiming that Monarch had settled an outstanding lawsuit, doubled the price of Monarch shares from 20 to 40 cents as 1.4m shares changed hands in half-an-hour of hectic trading.

Sabena back in black for first time in 25 years

BY OUR FINANCIAL STAFF

AFTER 25 years of losses, Sabena, Belgium's national airline has finally moved out of the red, transforming a BFr 2.1bn deficit into 1983 net profits of BFr 22m ($406,000).

The airline said staff reductions, a cut in wages and an 8 per cent improvement in revenue contributed to the turnround. The airline's capital was increased from BFr 8bn to BFr 9bn early in 1983, which also helped reducing costly debt repayments, Sabena added.

In 1982, the workforce agreed to a 17 per cent reduction in salaries, which had an immediate effect on costs. The airline's staff has been reduced by 1,000 through early retirement. Sabena now has a total staff of 8,500.

Revenue for last year increased to BFr 38.1bn from BFr 35.3bn in 1982.

Sabena plainly owes its recovery to the financial transformation which took place just over a year ago. The Belgian Government pumped in BFr 2bn of new capital and local institutions and the state-backed investment and regional groups put up BFr 4bn.

Before the capital injection, *debt servicing* accounted for something like BFr 1bn of Sabena's annual net losses. For 1981 these totalled BFr 3.6bn, against BFr 2.8bn in 1980.

Setback at Shell Refining

BY WONG SULONG IN KUALA LUMPUR

SHELL REFINING, the listed subsidiary of the Shell group of companies in Malaysia, reported a 14 per cent drop in pre-tax earnings to 74.9m ringgit (US$32m) for 1983 with turnover down 5.6 per cent to 1,784m ringgit.

After-tax profits fell 15 per cent to 41.9m ringgit or 17.2 per cent of shareholders' funds compared with 23.2 per cent. The final dividend remains at 20 cents, making an unchanged 30 cents for the year.

The main reason for the fall in profits is that, although crude oil prices were lower, the benefits "were more than offset by reductions in petroleum product prices." Lower earnings are expected for the current year for the same reason.

On its long delayed proposal for a one-for-one scrip issue to raise paid-up to 120m ringgit, the company said it was negotiating with the Malaysian authorities.

● Chuan Hup Marine said group operating profit attributable to shareholders rose by 38.1 per cent to S$9.8m (U.S.$4.7m) in the half-year ended December, reports AP-DJ from Singapore.

Turnover in the six-month period rose by 8.7 per cent to S$35.8m and investment and other income increased by 30.9 per cent to S$857,000.

Interim leap at Clyde Industries

BY LACHLAN DRUMMOND IN SYDNEY

CLYDE INDUSTRIES, the Australian locomotive and mining and agricultural equipment maker, has reported a 63 per cent upsurge in net earnings from A$3.42m to A$5.56m (U.S.$5.36m) for the six months to December 31.

The company benefited from increased deliveries of locomotives and the ending of the drought, as well as a drop in interest charges from A$3.98m to A$3m.

However, it says some of its subsidiaries, particularly those dependent on capital spending, continue to suffer from declining markets. Profit is still some A$700,000 short of three years ago.

Last year's total was 25 per cent down at A$9.3m.

The interim dividend is held at 5.625 cents a share (5.625 cents) from earnings per share of 9.4 cents against 5.7 cents.

BASE LENDING RATES

A.B.N. Bank	8½%	■ Hambros Bank	8½%
Allied Irish Bank	8½%	Heritable & Gen. Trust	8½%
Amro Bank	8½%	■ Hill Samuel	§ 8½%
Henry Ansbacher	8½%	C. Hoare & Co.	† 8½%
Armco Trust Ltd.	8½%	Hongkong & Shanghai	8½%
Associates Cap. Corp.	9½%	Kingsnorth Trust Ltd.	10 %
Banco de Bilbao	8½%	Knowsley & Co. Ltd.	9½%
Bank Hapoalim BM	8½%	Lloyds Bank	8½%
BCCI	8½%	Mallinhall Limited	8½%
Bank of Ireland	8½%	Edward Manson & Co.	10 %
Bank Leumi (UK) plc	8½%	Meghraj and Sons Ltd.	8½%
Bank of Cyprus	8½%	Midland Bank	8½%
Bank of India	8½%	■ Morgan Grenfell	8½%
Bank of Scotland	8½%	National Bk. of Kuwait	8½%
Banque Belge Ltd.	8½	National Girobank	8½%
Banque du Rhone	9½%	National Westminster	8½%
Barclays Bank	8½%	Norwich Gen. Tst.	8½%
Beneficial Trust Ltd.	9½%	R. Raphael & Sons	8½%
Bremar Holdings Ltd.	8½%	P. S. Refson & Co.	8½%
Brit. Bank of Mid. East	8½%	Roxburghe Guarantee	9½%
■ Brown Shipley	9 %	Royal Trust Co. Canada	8½%
CL Bank Nederland	8½%	■ J Henry Schroder Wagg	8½
Canada Perm't Trust	10 %	Standard Chartered	‖ 8½%
Castle Court Trust Ltd.	9 %	Trade Dev. Bank	8½%
Cayzer Ltd.	8½%	TCB	8½%
Cedar Holdings	9 %	Trustee Savings Bank	8½%
■ Charterhouse Japhet	8½%	United Bank of Kuwait	8½%
Choulartons	10½%	United Mizrahi Bank	8½%
Citibank Savings	¶10½%	Volkskas Intnl. Ltd.	8½%
Clydesdale Bank	8½%	Westpac Banking Corp	8½%
C. E. Coates	9½%	Whiteaway Laidlaw	9 %
Comm. Bk. of N. East	8½%	Williams & Glyn's	8½%
Consolidated Credits	9 %	Wintrust Secs. Ltd.	9 %
Co-operative Bank	* 8½%	Yorkshire Bank	8½%
The Cyprus Popular Bk.	8½%		
Dunbar & Co. Ltd.	8½%		
Duncan Lawrie	8½%		
E. T. Trust	9½%		
Exeter Trust Ltd.	9½%		
First Nat. Fin. Corp.	11 %		
First Nat. Secs. Ltd.	10½%		
Robert Fraser	9½%		
Grindlays Bank	‡ 8½%		
■ Guinness Mahon	8½%		

■ Members of the Accepting Houses Committee.
* 7-day deposits 6.25%. 1-month 6%. Fixed rate 12 months £2,500 9% £25,000 12 months 9.5%.
† 7-day deposits on sums of under £10,000 5¾%. £10,000 up to £50,000 6¼%. £50,000 and over 7¼%.
‡ Call deposits £1,000 and over 5¾%.
‖ 21-day deposits over £1,000 6¼%.
§ Demand deposits 5¾%.
¶ Mortgage base rate.

مكتبة الأصل

UK COMPANY NEWS

United Newspapers surges 63% and prospects look good

A 63 per cent jump in taxable profits from £5.44m to £8.88m was achieved by United Newspapers in 1983.

And, with U.S. investments, stringent cost control and better use of available newspaper technology, plus an indirect 2.8 per cent holding in Reuters, the company has "exciting prospects" for this year, the directors state.

Profits from newspapers rose 95.8 per cent over last year. As newspaper sales and advertising volumes remained fairly constant and price increases were modest, most of the improvement resulted from action in controlling costs.

In a continuing process of rationalisation, staffing levels were reduced in several publishing centres.

Magazines again made a good contribution. In a slack market, the printing division had disappointing results, but the reorganised retail shops division showed improved profits largely as a result of tight stock control and reduced management overheads.

Group turnover for the 12 months expanded from £97.55m to £113.12m. At the interim stage profits were up at £4.56m (£3.36m) on turnover of £53.22m (£47.16m).

Shareholders will receive a higher final dividend of 8p (7p) on the capital enlarged by last September's rights issue, making a total payout of 13p (12p).

Strengthening, diversification and expansion of the company continues.

Less than three years ago the whole of the group's profits were derived from UK activities. With Gralla and PR Newswire enlarged by Mediawire making a full years contribution, about half of the group's profit in 1984 should come from U.S. operations.

The tax charge for the year of £3.13m (£831,000) including £544,000 in respect of overseas tax, takes into account the budget proposals, as a result deferred tax provisions account for £1m of this charge.

On this basis, earnings per share increased from 30.1p to 20.7p, adjusted for the rights issue.

After tax and extraordinary debits of £2.86m (£2.44m), the attributable surplus was higher at £2.87m (£2.17m).

On a CCA basis pre-tax profits moved ahead from £3.81m to £7.65m.

● comment

United Newspapers seems to be moving at a remarkable pace under its new management. The doubling in profits from UK newspapers is so dramatic as to be positively mysterious, based as it apparently is on cost-saving without significant benefit from new technology. There is more cost-saving to come in the current year. Given that U.S. profits are scheduled to move from some 20 per cent of the total to 50 per cent in the current year—due largely to full consolidation of Gralla—the implications for this year's profits are remarkable. Market projections are around the £17m mark, which puts the shares, down 8p at 335p, on a prospective multiple of 13 (assuming a tax charge of some 45 per cent). This seems to indicate that the share price is well up with events; but then, as the chairman remarks, the group's market capitalisation has gone from £37m to £126m in just 15 months.

Gent ahead midway and confident about year

THE FORECAST that 1983-84 would be a good year for clothing manufacturer S. R. Gent is being borne out, with profit before tax for the first half showing an increase from £1.66m to £2.15m and the second half making a good start.

Marks and Spencer is the principal customer for the company's ladies' and children's clothing. The second half, which is the major selling season, has started well within a high early acceptability of summer styles. Sales are "significantly ahead" of the corresponding period last year.

Successful discussions have taken place concerning the widening of the customer base. As a result the company is now supplying two additional major stores groups, and has acquired a further factory of 22,000 sq ft in South Kirkby, West Yorkshire.

The subsidiary in Australia has been reorganised and current trends are encouraging, while the Canadian company is now "well established" and its prospects are promising.

Turnover in the first half advanced from £31.88m to £37.51m, from which an operating profit of £2.15m (£1.66m) was earned. Net interest charges required £364,000 (£694,000) and associated profits were £286,000 (£401,000). After tax £327,000 (£183,000) net profit came out at £1.83m (£1.48m)

The company came to the market in July 1983 by way of a tender offer for sale. For the year ending June 30 1984 a dividend of 3p was forecast, with about one-third as an interim—the directors are declaring an interim of 1p.

● comment

S. R. Gent has continued to perform in the current year more like a high-tech company than the Barnsley based textile company it is—picking up the Institute of Director's Business Enterprise Award en route. Another £3m capital expenditure in the current year will further streamline production and includes the completed 22,000 sq ft factory in South Kirkby. Contracts with Richard Shops and Evans Outsize will top up turnover and help to bring the proportion of turnover presently going to M & S down a few points from around 90 per cent. New lines in co-ordinates and ladies outwear are selling well and the company should make £6.5m pre-tax for the year. The company estimates actual tax of 8.5 per cent for the year which gives a prospective p/e of 12.5 on the share price at 208p. However, budget news on capital allowances and tax should mean a significant increase in the tax charge in the next couple of years.

Waverley Cameron

Taxable profits at Waverley Cameron, Edinburgh-based manufacturer of stationery, improved from £74,000 to £120,000 in 1983. Group turnover was higher at £3.06m compared with £2.7m. Tax was £2,000 more at £11,000.

The dividend is unchanged at 3.75p net, and earnings per 25p share improved from 6.49p to 11.09p.

Intervision Video

Our edition of March 20, 1984 included an article headed "Intervision Video raising £1m." The article erroneously suggested that the delay in publishing Intervision's first full year profits was due to the accountants, Stoy Hayward, not agreeing a tax provision in time. We now understand that this statement was inaccurate and no blame attaches to Stoy Hayward for the late publication of the accounts.

We are pleased to publish this correction and apologise to Stoy Hayward for the embarrassment caused.

Profit in UK for BBA as recovery continues

WITH A 21.2 per cent increase in pre-tax profits for 1983, the BBA Group of friction materials, conveyor belting and industrial textiles manufacturers, has shown continued progress in its recovery from the setback of 1980. In the UK, companies as a whole have made a profit for the first time since 1979.

Group turnover rose by 3.5 per cent, from £150.9m to £156.11m, and the pre-tax profit came to £5.51m, against £4.55m. Earnings are up from 2.14p to 3.57p and the dividend is held at 1.74p with an unchanged final of 0.9p.

The automotive division accounted for 73.3 per cent of turnover and 69.4 per cent of profits, while the industrial side showed 26.7 per cent and 30.6 per cent respectively.

During the year £11m one-year preference shares were issued, with back-up medium-term loan facilities, by BBA Financial Services to replace the Section 233 loans which had become unattractive with recent tax legislation. Preference dividend is included with minority interest and replaces some of the interest payable which is down from £3.84m to £3.13m.

The profit includes 15 months from the related company, Bendix Mintex Pty, because of a change in its accounting year to November 30. Adjusting for this and the change in the interest charge, the increase in profit over 1982 is 7.6 per cent.

Net bank borrowings and the £11m preference shares amount to £23.09m, resulting in a gearing of 48.9 per cent, compared with £20.53m and a gearing of 43.9 per cent at the end of 1982. Net current assets stood at £28.16m (£23.85m).

The directors are expecting a further advance in profits in 1984. In the 1970s the group pushed up its profits from just under £3m to £8m; in 1980 it was hit severely by the troubles in the UK motor industry and its profits slumped to £850,000.

● comment

The underlying improvement at BBA may not be quite as grand as a straight 21 per cent pre-tax advance implies but the recovery has taken another pace forward, largely thanks to a strong performance from Textar, a major supplier to the German car industry. At home, Mintex has benefited from better demand for original equipment from the car manufacturers but the replacement market is still dogged by overcapacity. Mintex halved its losses to around £1m last year and with crossed fingers could reach break-even in 1984. The industrial side remains one of contrast. In the U.S. the belting activities of Scandura started off badly but picked up well as the year went along. In the UK, however, levels of activity have been down and while the latest NCB contract is said to be better than last year's the strike must pose a very large question mark against eventual off-take. Even so the pre-tax line should climb over £6m this year. At 38p, where the yield is 6.7 per cent, the shares have little downside risk even if there is no rush to buy.

BOARD MEETINGS

TODAY

Interims: Bridport-Gundry, Minerals and Resources Corporation, Sanderson Murray and Elder, Thomas Nationwide Transport, Westminster and Country Properties.

Finals: Britoil, J. E. Crowther, Eucalyptus Pulp Mills, Shield Insurance, Telfos.

FUTURE DATES

Interims—

Amalgamated Estates	Mar 30
Beazer (C. H.)	Mar 27

Finals—

Aquascutum	Apr 12
B.A.T. Industries	†Mar 27
B.S.G. International	Apr 17
Dufay Bitumastic	Mar 27
Eastern Produce	Mar 28
Equity and Law Life Assurance Society	Mar 27
Gibbs and Dandy	Mar 28
Legal and General	Mar 28
MCD	Apr 10
Standard Chartered Bank	Mar 27
Supra	Mar 28
Transis	Mar 28
Watts Blake Bearne	Mar 30
Whittington International	Mar 27

† Amended.

Staffs. Potteries £0.6m halfway

A COMBINATION of better margins, reduced borrowings and a shift in seasonal trading resulted in Staffordshire Potteries (Holdings) showing a taxable profit of £620,000, against a £172,000 loss, for the interim period.

Following planned changes to product ranges there has been a movement in the seasonal pattern of sales towards the first half of the year, and this will be reflected more in the annual results.

Sales for the six months to end-December 31 1983 expanded from £8.54m to £10.57m and operating profits quadrupled to £895,000 compared with £221,000.

Home market business improved across most product ranges and sales increased by 34 per cent. Export sales have been strong for some time, particularly in Europe, and this success is being maintained.

Sales in North America were down. But the economic recovery there and the more favourable exchange rates for sterling have enabled the company to improve gross margins while working capital and fixed costs have been kept under strict control.

The order book continues to be healthy, but there are some product areas in which demand remains static.

Cash generated from earnings is being used to reduce borrowings, with capital expenditure and working capital requirements minimised.

The board is sensitive to the need to restore realistic dividend payments to holders of ordinary shares, but believes, having taken into account all the relevant factors, that a decision on this matter should be taken only when the results for the full year are known.

A nominal dividend of 0.01p was paid last year with the company returning to the black in the second half for an overall profit of £117,000.

Tax for the first half took £35,000 (same), leaving an attributable profit of £585,000 (loss £207,000) equal to earnings per 25p share of 8.97p (loss 5.11p).

Liverpool Post over £5m as earnings base shifts

HIGHER RETURNS from North American operations and UK papermaking and packaging pushed up taxable profits of Liverpool Daily Post & Echo by £1.45m to £5.2m in the 1983 year.

A breakdown of the results reveals that the weight of earnings has moved away from the company's traditional base in UK newspapers.

The bulk of the profits was earned from the newer markets and more advanced production processes used in North America, and from the company's established and substantial position in UK papermaking and packagings.

Printing and publishing operations in the U.S. and Canada earned higher profits of £2.21m, against £1.3m, while at home, papermaking and packaging contributed £2.09m, a rise of £473,000.

But, UK newspapers returned lower profits of £1.52m, compared with £1.72m, and the directors effected a rationalisation programme which included voluntary severance.

This programme together with the closure of a loss making papermill at Bolton, Lancashire, and its associated finishing plant and acquisition goodwill written off resulted in a below the line extraordinary debit of £1.83m (£371,000). This debit and tax of £2.67m (£2.09m) reduced profits at the attributable level to £702,000, against £1.3m.

Group turnover for the 53 weeks increased by £3.63m to £67.59m. At the interim stage profits totalled £2.3m (£1.85m).

Earnings per share were 7.8p higher at 22.6p and the final dividend is lifted from 6.5p to 6.9p for an increased total payout per 50p share of 10.8p (10.2p).

At the daily and weekly newspapers on Merseyside, the limited volumes of advertising have been subject to intense competition.

Divisional earnings, only slightly reduced against 1982, were mainly due to cost savings following further voluntary severance among the workforce and improved working practices.

Associated Catholic Newspapers, operating in national markets, however, managed to keep profits up to the level of 1982 which were boosted by the Papal visit to the UK.

The company's UK papermaking operation, Trinity Paper Mills, after a poor start to the year, went on to produce good profits, especially during the second six months.

In packaging, the corrugated case plant at Stoke earned record profits for the third successive year. And its sister company at Sandy justified the introduction of a second shift of corrugator operations by the end of the third quarter with subsequent steady progress.

UK COMPANY NEWS

Woolworth leaps to £29m—pays 8p

Woolworth Holdings, the revamped retailing group, hoisted pre-tax profits from £6.1m to £29.4m in the year ended January 28 1984. The final dividend is 6p net making a total of 8p per 50p share—2p higher than forecast in November 1982.

Turnover climbed from £1.12bn to £1.27bn. Retailing profits more than doubled to £28.4m (£12.4m), while rental income — mainly intra-group rental — was £1m lower at £33.3m. Net interest charges were reduced from £40.6m to £32.3m and these are expected to fall further in the current year.

A change in depreciation policy added £1.8m (same) to profits.

There was a tax charge for the year of £2.6m (nil) leaving net profits ahead £20.7m at £26.8m. After net extraordinary credits of £26.6m (£19.9m) the attributable balance was up from £26m to £53.4m. Earnings per share were 39p (9p) basic or 33p (8p) fully diluted.

On prospects, Mr John Beckett, the chairman, warns that the disruption caused by changing the layouts in all Woolworth's stores in six weeks has inevitably affected short-term sales. This, together with the deterioration in the group's small overseas activities, will reflect in the current half-year results.

However, B & Q (Retail) has again made a good start

Profits of the Woolworth retail chain rose in the year from £1.3m to £7.6m, on turnover up from £962.1m to £1.05bn, while B & Q lifted profits from £9.1m to £19.3m and sales from £139m to £197.4m. Overseas profits however, dropped by £0.5m to £1.5m from turnover of £17.9m (£22.9m).

Commenting on the sales increase at Woolworth, Mr Beckett says that this is "somewhat flattered" by the general increase in retail spending and by the clearance of unwanted stock. He notes however, that Woolworth UK has maintained market share after years of decline.

"We are making tough decisions. Some stores will not meet our retailing criteria—the wrong size or location — and others will not foreseeably meet the rigorous financial criteria we have set. It is inevitable that further stores will be sold," Mr Beckett states.

"Investment in both stores and systems will be required. We are building firm foundations for the long term, even at some cost in the short term," he adds.

This year the board has planned further store openings in B & Q and further change and development in Woolworth. A five year plan has been approved for B & Q which provides for a further substantial expansion of the chain.

Mr Beckett says a commercial policy for Woolworth has been settled after exhaustive analysis. "These are core strengths which have been confused by the clutter. We are focussing on these strengths and developing others."

Group borrowings in the period fell by £90m. A property revaluation produced a total of £595.2m, a surplus of £140.4m, and assets per share are now at around £7.80.

The year's extraordinary items comprised a £36m surplus on disposal of land and buildings, less £12.8m range rationalisation losses, £3m store refurbishments and £3.2m payments to the pension scheme offset by £9.6m tax.

See Lex

HIGHLIGHTS

Lex looks at the figures from Woolworth where B & Q's sparkling performance enabled the group to get the profits line moving the right way—but still margins from the mainstream High Street variety stores are almost invisible. The column then moves on to look at the latest moves surrounding Rothmans which break Philip Morris and Rembrandt into separate investing groups. Tricentrol brought out its figures yesterday showing a rise in the dividend of a fifth, with profits up thanks to a reduction in petroleum revenue tax. Finally Lex examines prospects for the European chemical sector in the wake of the profits increase from BASF of West Germany.

Manders up to £4.4m as UK side recovers

PRINTING INK and paint operations in the UK kept taxable profits ahead at Manders (Holdings) for 1983, in spite of falls in overseas, finance and property results.

The UK paint and printing ink side contributed £1.88m, nearly double last year's £966,000, to the group profit of £4.39m (£3.5m). Turnover was £40.23m (£38.11m).

The company says benefits stemming from the reorganisation in 1982 led to a good recovery in UK profits.

Overseas, however, earnings on printing ink fell to £432,000 against £531,000. Manders blamed adverse trading conditions; turnover was down at £6.12m (£6.56m).

Earlier in the year it disposed of its Australian subsidiary Mander-Kidd Printing Ink which resulted in an extraordinary loss of £493,000.

Finance earnings fell £100,000 to £349,000, reflecting the lower interest rates during the year. Property profits were down at £1.74m (£1.79m).

Tax took £1.42m (£1.1m) and minorities £38,000 (£106,000). After the extraordinary debit of £493,000 (£236,000 credit), the attributable profit is down at £2.44m (£2.54m).

Earnings per 25p share are shown climbing from 15.7p to 20p. A final dividend of 5p (4.6p) has been recommended, making 7p (6p) for the year.

● comment

The strong advance in the operating profit of the UK paint and printing ink business of Manders is due to improvements in efficiency following a £250,000 rationalisation in 1982 and an increase in volume of some 7 or 8 per cent. The printing ink side has shown a particularly strong advance. The closing of the Australian business has brightened the general outlook overseas and the £500,000 contract to install a production plant in China could lead to more business there. After a couple of years when Manders' property interests (particularly the Wolverhampton shopping centre) dominated the profits picture, the improvement in the manufacturing subsidiaries makes the stock more soundly based. The company is looking to further strengthen its industrial paints and inks business, by acquisition should an appropriate target be found. The company has plenty of cash—just a little less than the £4.5m it finished with in the previous financial year. The shares, at 164p, down 2p, are at a large discount to net asset value of 238p. The yield is a good 6.2 per cent.

Tricentrol earnings rise to £24m and dividend up

Tricentrol, the oil exploration and production group, raised net earnings by 35 per cent from £17.9m to £24.2m in 1983. Pre-tax profits, however, fell by £5.5m to £43.7m, but this was mainly due to the company adopting the new UK accounting standard and restating the 1982 figure to include a £4.5m exchange gain.

Petroleum Revenue tax and corporation tax charges decreased from £31.3m to £19.5m. A major proportion of the reduction resulted from Tricentrol taking advantage of the UK tax changes in the 1983 Budget, which have encouraged increased UK exploration and appraisal expenditure during the latter part of the year.

Tax payments in 1983 amounted to £37.7m (£25.2m), but this year there will be a substantial reduction in these payments, again as a result of the changes made in the 1983 Budget and the current level of exploration and appraisal expenditure. Corporation tax changes announced in the 1984 Budget have not been reflected in the 1983 results.

Earnings per 25p share increased from 24.9p to 28.2p and in view of the general strengthening of the company's position, the final dividend is raised by 1.6p to 7.2p net for a total payment of 10p (8.4p).

Net assets, at book value, per share advanced from 155.7p to 184p.

Profit before tax, excluding exchange gains and losses, was similar to 1982, with the first contribution of £3.5m from Buchan and the £3.2m improvement in the Canadian results, being offset by reduced Thistle earnings and £4.3m higher net interest cost.

Capital expenditure in 1983 of £93.3m was substantially down on 1982, a year which included the Coral and CCP acquisitions. The 1983 expenditure included the acquisition in November for £14m of Norcen's UK interests.

Net borrowings increased during the year from £40m to £106.4m. This was well within the levels of the long term facilities of £148m which have been provided by Tricentrol's bankers. However, debt at this level, which will be increased as a result of the continuing 1984 exploration and appraisal programme, is not consistent with Tricentrol's aim of restricting exploration expenditure to generated cash flow and using borrowings for development.

Accordingly, Tricentrol recently announced plans to sell its U.S. on-shore properties, excluding the Montana Gas Fields, the proceeds of which will be used to reduce U.S. debt. This sale will complete a course of action which commenced in mid-1983, designed to improve the company's financial position.

Mr James Longcroft, the chairman, said yesterday that six companies were in the running for the takeover of Tricentrol's U.S. assets package, but that none of them were UK companies. He added that the sale should be completed this year.

In the North Sea, during 1984, Tricentrol has budgeted for participating in 26 exploration and appraisal wells compared with 6 wells in 1983 and 6 wells in 1982. Tricentrol's 1984 budget allows for expenditure of £30m.

The long drawn out negotiations with the British Gas Corporation over the purchase of a 17½ per cent interest in the Wytch Farm oil field are now nearing an end, and although the board says it would be unwise to forecast a signing date, it is confident that the deal will be completed as recently confirmed by the Government.

Mr Longcroft said that the Wytch Farm purchase document could be signed in "five minutes." But he pointed out that the Budget had affected the economies of the oilfield, and it was therefore "quite possible that British Gas could take us through another arduous series of negotiations."

	1983 £m	†1982 Restated £m
Turnover	122.0	103.3
Production costs	37.1	24.4
Depletion	30.5	28.4
Gross profits	54.4	50.5
Administrative costs	6.0	4.1
Other operating income	3.5	6.7
Interest income	1.6	3.3
Interest expense	9.8	7.2
Profits before tax	43.7	49.2
Petroleum Revenue tax	13.0	28.9
Corporate taxes	6.5	2.4
Net profits	24.2	17.9
Dividends	9.0	6.6
Retained	15.2	11.3

† Comparatives have been restated for the change in accounting policy for foreign exchange gains and losses.

See Lex

Metal Closures over £6.8m and paying extra

Metal Closures is raising its dividend from 5.7p to 6.3p for 1983, the final being 4.1p. Turnover advanced from £76.36m to nearly £79m; from this is deducted trading costs and expenses £72.16m (£70.4m) to leave the profit before tax at £6.83m, compared with £5.95m.

The directors say the immediate future looks bright, and figures for the first quarter of 1984 trading support this optimism.

Profits in the second half rose from £2.94m to £3.8m. In their statement last September the directors said it was only in the last few weeks of the first half that there was any indication of an increase in UK demand. All overseas interests were performing well and made a significant contribution to profits.

Tax takes £2.78m (£1.83m) and minorities £604,000 (£695,000), giving an attributable balance of £3.44m (£3.43m) for unchanged earnings of 16.2p.

Automated Security up £1.2m

SECOND HALF taxable profits of Automated Security (Holdings), security alarm systems concern, moved ahead from £2.04m to £2.89m and lifted the full year's figure ended November 30 1983, to £4.4m, compared with £3.24m.

Turnover advanced from £20m to £24.21m and the dividend is effectively raised to 1.03p (0.875p adjusted) with a final payment of 0.63p.

The directors look to the future with confidence from a stronger trading base, a healthier financial position and with a more professional management.

They point out that the group continues to strengthen its position as the leading UK electronic security concern, and is well placed to take advantage of opportunities in this major growth sector.

Tax charge for the 12 months was £244,000, compared with £180,000, and goodwill written off amounted to £1.15m (£404,000).

Earnings per share were up from 7.32p to 8.22p.

Freehold and long leasehold and buildings were valued at November 30 last at the open market value, on the basis of existing use, at £3.07m, by an independent company of chartered surveyors. The surplus over net book value of £1.17m has been transferred to revaluation reserve.

Scantronic Holdings—the company owns 50 per cent — was valued at March 15 and the stake was worth £2.9m compared with the initial cost of £1m last July.

Group rental income increased during the year by 19 per cent to £10.9m, while gross rental assets, under the company's control, rose 17 per cent to £35.7m.

Commenting on the Budget statement regarding capital allowance proposals the directors say that first year capital allowance changes will affect the rates paid for, rather than the availability of, leasing finance. However, only a minor proportion of the company's investment in new rental assets is financed by way of leasing, therefore the increase in the cost of leasing funds will only have a negligible effect on the group, they state.

The effect on last year's profit, if the group had not utilised leasing finance, would have been £25,000.

● comment

Automated Security is at last beginning to put its £8.2m rights issue proceeds to work, having made acquisitions worth £3.5m in the past year in both domestic and commercial security. These came too late, however, to have much impact on this set of figures. With the help of a new sales force, domestic sales have risen from 20 per cent to 25 per cent of the total, while the article surveillance division produced a marginal profit in its first trading year and should make a substantial contribution to the current period. The 36 per cent increase in pre-tax profits, coming with a widening in margins to 18 per cent of turnover, sent the shares up only 3p to 168p, where the group is valued at £89m. The bulk of Automated Security's business is in leasing, so the market may be mulling over the impact of the winding down of capital allowances announced in the budget. According to the group computer, the tax bill should rise from its current 5.5 per cent to around 15-20 per cent by 1988.

Central TV doubles on forecast

WITH pre-tax profits up from £3.51m to £6.83m, Central Independent Television has substantially beaten its forecast of "just over £3m" for 1983.

At the time of the company's introduction of its non-voting shares in the Unlisted Securities Market, the directors said they expected to make a payment of a first dividend at the year-end. This has now been confirmed with a proposed payment of 6.5p net.

In its interim statement, Central said profits had increased from £448,000 to £1.83m, and that was after Channel Four subscription of £7.93m.

Net income of this independent television contractor for the East and West Midlands climbed from £109.31m to £129.24m. The pre-tax figure was struck after Exchequer Levy down from £665,000 to £465,000. Tax for the year was higher at £2.88m compared with £2.34m, and there was an extraordinary credit of £147,000 against a debit of £1.86m.

Earnings per 50p share improved from 4.7p to 15.8p pre-extraordinary items, and from a loss of 2.7p to earnings of 16.4p after.

● comment

Central's share price has been moving ahead strongly ever since it became clear last September that the newly-constituted company was going to beat its forecast by a handsome margin. In the event the outcome was better than expected and the shares jumped 14p to 244p, up from 168p at halfway. The plus factors are that the underlying demand for air time has been exceptionally buoyant; advertising revenues jumped by around 13 per cent, slightly less than the national picture but this was a consequence of the reallocation of franchises in favour of the regional companies rather than any underlying loss of market share. Also, revenues from the highly successful Kennedy series are starting to roll in — £1.5m so far and a lot more to come this year. And finally, the move away from Elstree to the high-technology studios in Nottingham will have cut historically high operating costs by perhaps a third. The only atmospherics to affect the overall picture is the lingering Channel 4 dispute, which has eaten into potential revenues at a time when direct subscription costs have escalated to £16m (£12.8m). This notwithstanding, the positive aspects should continue to make for further strong growth this year. The p/e on stated earnings, at around 15, is in line with the leisure sector.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Aberdeen Land ... int.	4.25	April 11	4.25	—	14.5
Automated Secs.	0.63	—	0.53*	1.03	0.88*
Banro Industries	2.73	May 8	2.73	3.3	3.3
BBA Group	0.9	July 6	0.9	1.74	1.74
Bronx	0.79	May 9	0.79	1.04	1.04
Central TV‡	6.5	—	—	—	—
Church and Co	8	—	7	11	9.5
City and Commercial	1.46	March 31	1.4	3.3	3.21
Clifford's Dairies	3.8	May 18	3.6	5.5	5.4
Wm. Collins	7.5	—	5.5	11	8.5
Friedland Doggart	4	—	3.51	6.3	5.6
Garton Engineering	1.5	July 2	Nil	2.5	Nil
S. R. Gent ... int.	1	—	—	—	—
HTV ... int.	5	—	4	—	11
Liverpool Daily	6.9	—	6.5	10.8	10.2
Lorlin Electronics‡	1	June 18	1	—	—
Lyon & Lyon	4	May 17	3.5	5.5	5
Manders Holdings	5	May 14	4.6	7	6
Maynards ... §int	4.25	May 3	3.13	11	9.75
McLaughlin‡	5	May 10	4.6	7	6.4
Metal Closures	4.1	May 14	3.5	6.3	5.7
Nicholls (Vimto)	7	—	6	13.5	11.5
Noble and Lund	Nil	—	0.18	Nil	0.35
Tay Homes ... int.	1.37	—	—	—**	—
F. W. Thorpe ... int.	1.3	—	1.15	—	3
Tricentrol	7.2	—	5.6	10	8.4
Trident Computer‡ int.	0.6	—	0.5	—	1.5
Utd. Newspapers	8†	June 14	7.5	13†	12
Waverley Cameron	3.75	—	3.75	3.75	3.75
Woolworth	6	—	—	8	—

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM stock. § Unquoted stock. ¶ For 14 months. || Total of 10.5p forecast. ** Total of not less than 4.1p forecast.

UK COMPANY NEWS

Second half boosts Collins to £8.6m

VIRTUALLY doubled second half pre-tax profits of £6.51m, against £3.48m, have boosted William Collins, publisher, to £8.55m for the 53 weeks ended January 1 1984, compared with a previous £4.7m.

Turnover for the full period expanded by £25.43m to £105.13m and the dividend is lifted from 3.5p to 11p net per 25p share with a final distribution of 7.5p.

The directors say that the company's results reflect progress in all areas of the business, including Granada Publishing, which was acquired last April. The full benefit of this purchase will flow through during the current year and into 1985.

The directors add that overall the group has made an encouraging start to 1984.

Pre-tax figure included associate's share of £593,000, compared with £351,000 and interest received, £49,000 (£121,000). It was, however, after interest payable, up from £1.42m to £1.72m, and an exceptional debit, last time, of £876,000.

Tax charge amounted to £2.04m, against £1.1m and after an extraordinary debit of £445,000 last time, the attributable balance came through at £6.51m, compared with £3.16m.

Earnings per share increased by 15.4p to 38.5p.

The directors point out that the acquisition of Granada, while contributing to group profits, significantly increased activity in both book manufacturing and distribution in the UK which enabled both these divisions to record improved results.

Group borrowings and interest charges were higher as a result of the acquisition and integration of Granada, and the increase in working capital required to support the higher level of trading. At the year end borrowings were at a satisfactory level, directors state.

● comment

Collins' purchase last April of Granada Publishing is quickly paying dividends and the potential for greater business is good. Collins wound down the printing contracts which Granada had farmed out and moved all this business to its own plant in Glasgow which a year ago had about 25 per cent of its manufacturing capacity idle and a fair amount of unused warehouse space. The purchase of Granada has helped to fill this gap along with the pick up in the publishing industry particularly in paperback sales, a strong part of Granada's business. Profit margins improved from 5.9 per cent in 1982 to 8.1 per cent last year. The Granada factor, however, was not the only reason for the greatly improved results. Collins has also been helped by scaling down its operations, and boosting productivity. Redundancy payments were nil last year after £876,000 in 1982. Collins looks set to make pre-tax profits of around £10m this year. The non-voting shares rose 33p to 433p yesterday for a yield of 3.7 per cent.

Aidcom Intl. rights to raise £2.4m

Aidcom International is raising £2.37m by way of a one-for-four rights issue at 75p per share prior to moving from the Unlisted Securities Market to a full listing on April 16.

The issue, underwritten by J. Henry Schroder Wagg, will more or less cancel the company's borrowings following a period of rapid expansion in its three major divisions: research, technology and design.

The expansion in the last year was both organic, as in the development of the Husky range of hand-held micro computers, and through acquisition, of a 65 per cent stake in Worldwide Market Intelligence and a 90 per cent stake in Aim Cambridge, an electronic, microprocessor development consultancy.

The company expects its acquisition programme to slow down as it digests the latest additions, and the directors expect the rights issue to provide sufficient funding for a couple of years without needing to return to shareholders.

Turnover increased 85 per cent to £9.04m in the year to October 1983 of which around 50 per cent came from the research division, 25 per cent from design and 15 per cent from technology. The technology is expected to grow significantly in the current year particularly in its contribution to profits due to its higher margins.

The 1983 report and accounts published yesterday states that group operations are expanding geographically and the list of clients is steadily lengthening.

Brokers to the issue are Phillips & Drew.

Garton stays in profit for year

AFTER TWO years of losses Garton Engineering is back in the black with a pre-tax profit for 1983 of £286,000, having rationalised its operations.

The Wednesbury, West Midlands based holding company for nuts, bolts, washers and pressings makers, reported a pre-tax loss in 1981 and 1982 of £334,000 and £28,000 respectively.

This year, after a depressed first half pre-tax profit of £78,000 (£159,000) because of the changes in the company's Midlands factories, the second half began to show the benefits of the rationalisation.

Turnover was £10.75m (£10.65m), interest on convertible loan stock took £14,000 (same) and tax £39,000 (£15,000 credit), leaving attributable profits of £247,000 (£13,000 loss). There was no extraordinary debit. Last year £264,000 was paid in redundancy and restructuring costs.

Earnings per 10p share are shown as 6.69p (0.36p loss) and a final dividend of 1.5p is recommended, making 2.5p (nil) for the year.

The board believes the company is well placed to benefit from increased UK demand and from any European recovery.

There are still areas of manufacturing, particularly in the bolt making units, which do not show a satisfactory return. Their market is still suffering from overcapacity and cheap imports.

It is clear that further contraction and merging will need to continue in the bolt making industry.

● comment

After a false start in 1982, *Garton last year began to feel* the benefits of the heavy cut backs it has undertaken. With the costs of disposal and redundancy behind it, the company made gains on the back of productivity improvements. Turnover last year was little changed from 1982 — this year it is already sharply up, with orders 18.5 per cent higher so far. The traditional bolt-making business, accounting for 40 per cent of turnover, is still not making money, but margins are far better in the more specialised precision engineering areas. Last year rumours of a bid were met by building up the Garton family stake — this year the higher share price would make the company easier to defend. *Garton has pulled through the* recession better than most nut and bolt makers and could be good for £500,000 pre-tax this year. With the shares unchanged at 50p, the yield is 7.3 per cent.

Maynards improves 23% midway

TAXABLE profits of Maynards, *confectioner, improved by 23 per* cent from £1.39m to £1.72m for the six months ended December 31 1983 out of a 14 month period.

There were improved results from the company's continuing businesses, confectionery manufacturing and toy retailing, and although the confectionery, toy and news *retailing division* (CTN) incurred losses, they were lower.

Last November a further 40 shops were placed on the market and in January the directors decided to withdraw from CTN retailing. The sale of these businesses is progressing satisfactorily, the directors state.

Sales, excluding inter-divisional and VAT, amounted to £38.12m for the six months, against £37.85m, with trading profits at £1.74m (£1.47m). These were split as to: manufacturing £7.73m (£7.25m) and £363,000 (£224,000); toy retailing (Zodiac) £14.92m (£12.36m) and £1.43m (£1.35m); CTN retailing (Maynards) £13.48m (£18.24m) and £60,000 loss (£98,000 loss).

The directors say the reinvestment benefit from the CTN disposals will not be available for sufficient time to materially affect their forecast group trading profit to June 30 of £1.42m (£917,000).

The interim dividend is increased from 3.125p to 4.25p net per 25p share and directors forecast a total of not less than 10.5p (9.75p).

Pre-tax figure included property sales surplus of £2,000 *(£51,000) and was after reorgan*isation and other costs of £22,000 (£129,000). Tax took £500,000 (£390,000) leaving net profits of £1.22m (£1m).

The partial offer (51.8 per cent) for Maynards from Mr L. E. Cartier lapsed last month.

HTV rises to £4.12m and pays 1p more

HTV Group, the television programme contractor and fine art dealer, increased its taxable profits from £2.81m to £4.12m for the half year ended January 31 1984 and the interim dividend is lifted 1p to 5p net per share.

Turnover advanced from £35.4m to £46.18m and profits from the television side contributed £3.65m *(£2.22m) after an* Exchequer Levy of £5.37m (£3.11m).

For the whole of last year pre-tax profits totalled £4.09m *(£4.74m), television profit com*ing to £4.96m (£3.1m).

Fine art profits for the six months amounted to £382,000 (£426,000), publishing and stationery—business retained £93,000 loss (£70,000 loss) business sold nil (£121,000 loss); property and leasing £228,000 (£309,000), making a total of £4.17m (£2.76m).

After tax of £2.08m (£1.42m) earnings were 19.71p (13.49p) per 25p share.

● comment

Like Central, HTV's share price has been moving up confidently in line with reports that advertising revenues have been on the up and up. The latest figures confirm this, reflecting an advertising revenue increase for the period of 29 per cent, which is out in front of other ITV companies. On the strength of this, the share price moved to a record 280p, up 9p on the day which is also a vote of confidence *that the company is at last get*ting to grips with its troublesome diary operation. It would be all too bullish to expect advertising revenues to grow at the same rate in the second half but there will be useful income coming through from overseas sales of own-made films like Robin of Sherwood and The Master of Ballantrae. The fitting out and move to the new Culverhouse Cross studios will raise borrowings temporarily. Overall, around £6.5m looks possible for the year, against £4m last time, which put the shares on a prospective p/e of 8½ taking a line through the interim tax charge.

Imps ahead

Taxable profits for the first quarter at Imperial Group were ahead of last year's corresponding period, the annual meeting heard yesterday.

*Mr Geoffrey Kent, the chair*man, also told shareholders the improvement had continued into the second quarter.

However, he said there was no point in denying that the Budget had caused a review of the company's plans because it affected not only tobacco, but also brewing and leisure interests.

Imperial was determined this would not necessarily mean a cut in profits and the group was acting to overcome the problem.

Clifford's Dairies

As anticipated at mid-term, Clifford's Dairies experienced a satisfactory second half to end 1983 with a 15 per cent rise in pre-tax profit to £3.21m against £2.78m. The directors propose a final dividend of 3.8p, against 3.6p, to lift the net total from 5.4p to 5.8p.

Growth in sales of dairy pro*ducts and fruit juices have* boosted turnover by £5.32m to £66.68m. Operating profit totalled £3.55m (£3.05m) and associated companies contributed a further *£285,000 (£229,000)*. Interest payments took £623,000 (£495,000) and tax £502,000 against £391,000.

After an extraordinary debit of £464,000 (credit £85,000), largely concerned with provision for additional tax liability, earnings per share were 22.28p (19.68p).

Stone Intl. jumps

Stone International, formed from the electrical division of the failed Stone-Platt group, has reported sales up 4.8 per cent to £33.7m (£32.2m) and pre-tax profit up 48 per cent to £2.6m (£1.8m) for the six months to November 30 1983.

Outstanding orders, at £72.9m, are at a record level with more substantial orders forecast for *the second half*.

The group, the worlds largest supplier of air-conditioning for rail and metro cars, is planning to apply for a stock exchange *listing, possibly later this year.*

George Ingham

Pre-tax profits of George Ingham and Co (Holdings), worsted spinner, expanded from £91,000 to £173,000 for 1983. In yesterday's edition the profit figure for 1983 was stated as £13,000.

GENSTAR CORPORATION

NOTICE OF PARTIAL REDEMPTION

TO THE HOLDERS OF 14¾% DEBENTURES DUE APRIL 15, 1991

NOTICE IS HEREBY GIVEN, pursuant to the provisions of the Trust Deed of Hypothec, Mortgage and Pledge and a Deed of Trust and Mortgage (the "Principal Trust Deed"), both bearing formal date of June 1, 1973, as supplemented by deeds supplemental thereto including, among others, a Supplemental Trust Deed bearing formal date of April 15, 1981 (all hereinafter collectively called the "Trust Deed") between Genstar Corporation (hereinafter called the "Company") and Montreal Trust Company (hereinafter called the "Trustee"), as Trustee, providing for the creation and issue of Debentures of the Company, that (U.S.) $2,100,000 principal amount of the 14¾% Debentures due April 15, 1991 of the Company bearing the undermentioned distinguishing letters and numbers, namely:

COUPON DEBENTURES, TO BE REDEEMED IN FULL, EACH IN THE DENOMINATION OF (U.S.) $1,000 AND BEARING THE DISTINGUISHING PREFIX 6M:

[illegible]

002572	006018	009264	012656	016208	019463	022767	027831	031039	034385	038880	042460	045003	049610
002578	006044	009270	012664	016213	019508	022778	027850	031053	034420	038934	042478	045006	049620
002589	006046	009300	012715	016218	019510	022798	027868	031078	034434	038949	042485	045015	049655
002615	006065	009341	012718	016243	019585	022799	027880	031081	034471	038982	042558	045904	049688
002624	006107	009358	012753	016353	019588	022900	027882	031130	034473	039007	042567	045960	049698
002643	006113	009377	012754	016365	019626	022911	027884	031132	034486	039030	042562	045998	049704
002694	006131	009385	012803	016429	019627	022936	027900	031147	034489	039045	042566	046044	049716
002736	006171	009408	012813	016430	019635	022959	027902	031149	035576	039052	042569	046048	049723
002743	006246	009471	012834	016434	019674	022963	027915	031178	035605	039057	042572	046065	049728
002760	006278	009512	012853	016447	019677	022978	027931	031188	035606	039058	042573	046128	049748
002782	006311	009531	012857	016449	019682	023020	027943	031308	035609	039059	042595	046130	049753
002829	006315	009563	012862	016479	019714	023033	027948	031322	035617	039074	042599	046198	049754
002832	006334	009567	012879	016485	019717	023038	027951	031335	035674	039077	042682	046287	049783
002838	006370	009603	012903	016501	019721	023052	027962	031351	035680	039080	042694	046276	049792
002846	006372	009601	012978	016523	019752	023071	027977	031352	035761	039083	042701	046322	049800
002868	006388	009603	013040	016561	019783	023080	027990	031385	035769	039125	042732	046353	049831
002875	006407	009632	013053	016591	019817	023085	028022	031378	035775	039127	042748	046380	049855
002896	006453	009633	013081	016652	019821	023095	028034	031380	035808	039168	042761	046394	049862
002908	006551	009638	013086	016657	019847	023118	028042	031448	035819	039197	042764	046432	049818
002912	006566	009651	013137	016682	019856	023140	028056	031454	035829	039217	042786	046477	049824

have been selected by lot by the Trustee for redemption on April 15, 1984, for Sinking Fund purposes only, and will be redeemed on April 15, 1984, by payment in lawful money of the United States of America, at the principal amount thereof, upon presentation and surrender of the said Debentures accompanied by all interest coupons appertaining thereto which mature after April 15, 1984, at any of the following places, namely: the principal office of the Royal Bank of Canada, Royal Bank Plaza, Toronto, Ontario, Canada, or of Morgan Guaranty Trust Company of New York, 23 Wall Street, New York, N.Y., United States of America, or, at the option of the holder, at the Royal Bank of Canada, 6 Lothbury, London, England, or at Banque Générale du Luxembourg, 14, rue Aldringen, Luxembourg, or at Morgan Guaranty Trust Company of New York, Avenue des Arts, 35, B-1040 Bruxelles, Belgium, or at Société Générale, 29, boulevard Haussmann, 75009 Paris, France. The interest coupons maturing on April 15, 1984 should be detached from the Debentures before presentation and should be cashed by the holder in the usual manner. If such Debentures are presented for payment without all interest coupons appertaining thereto which mature after April 15, 1984, the amount of the missing unmatured coupons will be deducted from the principal amount due for payment.

NOTICE IS ALSO HEREBY GIVEN that, in accordance with the terms of the Trust Deed, all interest on the Debentures *so called for redemption shall cease to accrue from and after the 15th day of April, 1984.*

Dated at Vancouver, British Columbia, Canada, this 1st day of March, 1984.

GENSTAR CORPORATION
Henri P. Lafleur
Assistant Secretary

Staffordshire Potteries (Holdings) plc

Kiln Craft Tableware

Interim Statement

	Six months ended 31 December (unaudited) 1983 £000	1982 £000	Year to 30.6.83 £000
Turnover	10,574	8,537	18,406
Operating Profit	895	221	816
Interest payable	275	393	699
Profit/(Loss) before taxation	620	(172)	117
Earnings/(Loss) per ordinary share—Basic	8.97p	(5.11p)	(2.0p)
—Fully diluted	6.43p		

- Group pre-tax profits for the six months at £620,000 represent an improvement of almost £800,000 over the corresponding period last year. Sales have increased by *24%. Borrowings have been reduced.*
- Home market business has improved across most product ranges and sales have increased by 34%. Export sales have been strong, particularly in Europe and this success is being maintained.
- The company's order book is healthy. Following planned changes to the company's product ranges there has been a shift in the seasonal pattern of sales *towards the first half of the financial year* and the annual results will reflect this. The positive action taken to improve customer service, product design and quality and to modernise employment policies, is enabling the Board to take full advantage of a competitive but improved economic climate.

Copies of the full Interim Report are available from The Secretary, Meir Park, Stoke-on-Trent, ST3 7AA.

Banco Nacional do Desenvolvimento Economico

U.S. $50,000,000
Floating Rate Notes 1989

Notice is hereby given pursuant to the Terms and Conditions of the Notes that for the three months from 23rd March, 1984 to 25th June, 1984 the Notes will carry an interest rate of *11% per annum*. On 25th June, 1984 interest of U.S.$28.72 will be due per U.S.$1,000 Note and U.S.$287.22 due per U.S.$10,000 Note for Coupon No. 20.

European Banking Company Limited
(Agent Bank)

23rd March, 1984

F. W. THORPE P.L.C.

(Manufacturers of "Thorlux" quality lighting equipment)

UNAUDITED RESULTS FOR HALF YEAR TO 31 DECEMBER 1983

	Half year to 31st December 1983 £	1982 £
Turnover	2,839,751	2,891,150
Trading profit	311,017	322,855
Interest received	75,708	43,146
Profit before taxation	386,725	366,001
Taxation	193,362	190,321
Profit after taxation	193,363	175,680
Interim Dividend at the rate of 1.30p per share (1982 1.15p)	39,920	35,314
Retained profit	153,443	140,366
Earnings per share	6.30p	5.72p
Payment date	16 May 1984	12 May 1983

Companies and Markets **BIDS AND DEALS**

Harris accepts defeat as Ziff family holds firm

AFTER TWO months of battling by Harris Queensway for control of shoe retail chain Stylo, during which time it won the backing of more than half the ordinary shares, Harris withdrew defeated yesterday.

As the £35.6m cash offer officially lapsed, Stylo's share price fell another 40p to 323p. Harris had offered 325p a share and, only a week ago, announced its willingness to raise its offer if the controlling Ziff family would agree.

Harris Queensway's chairman, Mr Phil Harris, said yesterday "I am very disappointed that we have been unable to secure the recommendation of the Stylo board. I believe that Harris Queensway would have been able to substantially improve the profitability of Stylo and the remarkably high offer would have been in the best interests of Stylo shareholders. I am only sorry that, due to the inflexible attitude of the Stylo board, we have been unable even to meet to discuss the offers."

Despite the level of acceptances, representing 51.47 per cent of the ordinary, in addition to its existing 5.12 per cent stake in Stylo, Harris's offer was thwarted by tightly controlled management shares giving 16 votes apiece whereby the Ziff family holds a firm hold over the company. Harris's total ordinary acceptance of 56.59 per cent was worth only 31.95 per cent in voting rights.

Mr Arnold Ziff, Stylo's chairman, has rejected Harris's overtures from the very start because he claimed the bid price did not reflect Stylo's underlying assets. He recently authorised a property revaluation to be conducted though this will not be completed for some months.

Mr Peter Davis, Harris Queensway's deputy chairman, said later: "It may be that when the dust has settled Mr Ziff may be prepared to talk to us. Meantime, we may sell a few Stylo shares if the price is right."

● comment

Stylo's shares rarely had much regard for its trading achievements, more important was the undisputed potential of a substantial chain of High Street shops. Harris could never have rated its chances of success very highly at £35m but a well aimed opening shot was probably more intent on finding out the true worth of those assets and the resolve of the Ziff family to retain independence. Shareholders will have to wait some months for an answer to the first question but there can be little doubt over the second. Even the carrot of a higher offer apparently left the Ziffs cold. With control in their hands the defending directors did not have to work very hard but they did play upon the worth of those assets. They could hardly have made much out of past profits. Yet when a proper asset value is finally established will it be anything more than an academic exercise? The company's ability to make a return on those assets is dismal even on historic valuations. And if the Ziff family is adamant on retaining control the shares will have to look more towards earnings and dividends, rather than an asset value that cannot be unlocked. At 323p, the historic yield and p/e are 2 per cent and 38.

Security Centres expands Dublin-based operations

Security Centres Holdings, the international alarms and surveillance group, is to buy three security and alarm companies in Dublin for I£1.7m (£1.37m) cash.

It will add Abel Alarms (Ireland), Knightwatch Security, and Security Control and Risk Monitoring to its existing Dublin operation, Huet Security, which it acquired in September 1981.

These acquisitions will expand its rental and service customer base in Ireland to 4,000 and the number of customers whose property is linked to a central monitoring station to 2,700. Huet currently has 1,000 subscribers but has no central station.

Security Centres' recurring revenue base from service and alarm contracts will rise to about I£950,000.

Mr Tom Forrest, chief executive, said the three central stations currently operated by these companies would be reduced to one.

Security Centres also operates in Northern Ireland but there are no plans to link up the two security networks. Earlier this month Security Centres announced the establishment of a Cyprus-based company, Defence and Security International, owned jointly with Defence Systems International, a British security group. This will provide alarm and security services in the Middle East.

Samuelson buys Bray Studios

Contracts have been exchanged for the acquisition by Samuelson Group of the freehold property of Bray Studios, located near Windsor, for £700,000 cash.

Bray consists of five film stages, three of which are fully sound-proofed. Total extent of the property is 4.8 acres and includes a listed building with a frontage to the Thames.

The transaction is due for completion on March 28 when Samuelson will become responsible for the day-to-day management of the studios.

* * *

Morgan Crucible, materials technologist, has acquired Advanced Minerals Engineering, of Wales, which pioneered silicon nitride component development and manufacture. It was previously owned by AI Industrial Products and the National Research Development Corporation.

Sharjah Bank has 5% of English Assn.

The National Bank of Sharjah has built up a 5 per cent stake in the English Association Group, which provides banking and financial services, it emerged yesterday.

The Association said the holding, amounting to 865,000 shares, had been built up with the full knowledge of its board and would be held as a long-term investment.

Mr Iain McNab, chief executive of the Sharjah Bank, is to become a non-executive director of the association.

The Sharjah Bank is a commercial bank offering the usual range of services, though it is not involved in investment management or corporate finance. A substantial stake of its equity is held by a Sharjah government body.

Mr Richard CoxJohnson, chairman of the association, said the Sharjah Bank originally acquired shares when it underwrote the Association's £9.2m share bid for Rosedimond Investment Trust in December. It had built on its holding since then.

The Sharjah Bank holding should allow the Association to develop links in the Arab world, Mr Cox-Johnson said.

The association's shares were unchanged at 147p yesterday.

MINING NEWS

Phelps Dodge still has to battle with low copper prices

BY KENNETH MARSTON, MINING EDITOR

THE PARADOX of the man who said that he could not close his loss-making business "because it is my living" is one that would be appreciated by Phelps Dodge, leading U.S. producer of copper. Although prices of the metal have begun to improve recently, they remain at low levels because of world over-production.

The copper market was so depressed in 1982 that Phelps closed down all its mines but began reopening them last year when the early months held out a promise of better times which has not yet been fulfilled.

Today they are being kept going for cash flow. "At present the cash losses from operating remain less than the cash drain incurred during a shutdown," explain Messrs George B. Munrie, the chairman, and Richard T. Moolick, president, in the company's annual report.

As with most other mining majors Phelps has been following a rigorous cost-cutting programme which resulted in operating costs falling by a further 8 per cent last year. New plant is being installed, such as the $35m solvent extraction facility at the Tyrone mine, which will increase operating efficiencies.

Phelps is also selling some of its non-mining assets, such as the brass foundry and power cable and building wire operations, in order to repay debt. By this means it is expected to raise $150m which can be used to reduce the company's total debt, amounting to $614m at end-1983.

Prospects for this year depend on three main factors: a continuing improvement in world economies, a reduction in the overvalued U.S. dollar "to a sounder relationship with other major currencies," and a continued reduction in the high level of copper stocks created during the recent recession.

Once again Phelps stresses its view that the major factor in over-production of copper is the 40 per cent of world output capacity controlled by governments of the less developed countries. Spurred by the need to earn foreign exchange and provide employment, these copper producers have not reduced production in line with market conditions.

Phelps says that western world copper consumption in the three years 1981-83 totalled some 23m tonnes while copper stocks rose by 685,000 tonnes, or 3 per cent of this amount.

That modest increase, however, represented a rise of nearly 60 per cent in stocks with the result that the copper price, which averaged $1.01 per lb in 1980, was driven down to an average of 76.5 cents for 1983, closing the year at 69 cents.

Ashton's first year of Argyle diamond income

A NET PROFIT of A$7.2m (£4.79m), equal to 3.67 cents per share, has been earned by Australia's Ashton Mining in the year to January 31. It compares with only A$1.28m in the previous 12 months and reflects the start of diamond sales from the big Argyle project in Western Australia.

Ashton has a stake of 38.2 per cent in the venture with CRA holding 56.8 per cent and the Western Australian Government 5 per cent via Northern Mining.

As already reported, Argyle produced 6.2m carats of diamonds in 1983, its first year of commercial operation, well ahead of the planned output of 5m carats.

The diamond operation is confined to the alluvial deposits at present but it is preparing to tackle the major AK1 diamond pipe which will boost annual output to 25m carats. This second stage of development, costing some A$475m, will create the world's biggest diamond mine.

It will add about 50 per cent by volume to western world diamond production but because the bulk of the stones will be of the cheaper industrial diamonds, rather than gem qualities, the increase will amount to only about 4 per cent in terms of value.

Ashton says that construction work is proceeding on schedule and AK1 is expected to be in production by December 1985.

Last week CRA signed an agreement with a syndicate of international banks for a U.S.$235m (£164m) limited recourse financing to fund the cost of its share of the AK1 development.

Ashton, in which Malaysia Mining Corporation has a holding of 50.1 per cent, arranged funding of its share last year by means of A$70m equity issues and loan facilities of A$190m.

ART GALLERIES

COMPANY NEWS IN BRIEF

Banro Industries, the motor components group, made up the £223,000 midway shortfall to finish 1983 with pre-tax profits marginally ahead at £512,590, against £509,450. Turnover rose slightly from £24.13m to £24.63m.

The board says the year's outcome is not regarded as more than satisfactory. Group profits were severely depressed by substantial losses at the Telford factory, which makes Lignotock wood and resin based products under licence. Once the problems here are resolved, the group can look for a swift recovery in performance.

Earnings per 20p share rose by 1.8p to 5.7p and the dividend is maintained at 3.5p net with a final of 2.725p (same).

* * *

Second half profits from J. N. Nicholls (Vimto) have doubled to £2.21m, bringing the total for 1983 up to £4.36m, against £2.67m. The dividend is raised by 2p to 13.5p per share, with a final of 7p, and a 2-for-1 scrip issue is proposed.

Turnover of this fruit compound and cordial maker rose by £3.2m to £19.43m. Operating profit came out at £2.52m (£2.08m) and there is £836,000 (£596,000) surplus on other activities. After tax £2.11m (£1.3m) the net profit is £2.25m (£1.37m) for earnings of 42p (26.2p) per share.

* * *

Despite a second half which was slightly better than expected at mid-term, pre-tax profits at Bronx Engineering Holdings declined from £540,474 to £206,995 for the full year ended November 30, 1983. But the company will pay an unchanged final dividend of 0.79p to hold the total at 1.04p.

Turnover for the year was down from £13.49m to £10.37m, and the company made substantial redundancy payments of £346,434 (£10,692). The 27 per cent reduction in the workforce has reduced total annual operating costs by £760,000.

The directors see little hope of improvement in medium term prospects. They say Bronx continues to be affected by low level of capital steel and aluminium projects throughout the world.

After £59,508 tax (£58,455), earnings per 10p ordinary share came to 1.18p on a net distribution basis (3.86p).

* * *

Figures from F. W. Thorpe, manufacturer of lighting equipment, show a slight increase in profit before tax to £387,000 for the half year ended December 31, 1983 against £366,000 for the comparable period. The company will pay an interim dividend of 1.5p, up from 1.15p.

Turnover was down from £2.59m to £2.54m, producing a trading profit for the period of £311,000 (£323,000). Interest received was £76,000 (£43,000). The tax charge came to £193,000 (£190,000). Earnings per 10p ordinary shares were 6.3p (5.72p).

* * *

A recovery in profit for the half-year ended January 31 1984 has been achieved by Trident Computer Services Group. Trading profit rose from £41,000 to £101,000, and with an exceptional credit this time of £73,000, the pre-tax balance is up from £53,000 to £177,000.

The increase in trading profit has been almost entirely due to contract staff. The prospects here "have rarely looked better" both in the UK and overseas, and the directors are confident that the improvement in profit will continue.

In the half-year turnover of this USM company rose from £1.66m to £1.55m. The exceptional credit is a release of a provision in respect of assessments for PAYE tax which have now been vacated by the Inland Revenue.

After tax £82,000 (£28,000) the net profit came to £95,000 (£25,000) and earnings are shown at 3.8p (1p) per share. The interim dividend is 0.6p (0.5p); the 1982-83 total was 1.2p from profits before tax of £101,500 (£250,800).

* * *

After plunging into loss at halfway, Noble and Lund, the Gateshead-based engineer and machine tool maker, incurred further losses in the second half and ended 1983 with a pre-tax deficit of £570,000 against a profit of £69,000.

Group turnover dived from £2.02m to £570,000. No dividend is being paid for the year against a 1982 total of 0.35p net.

The pre-tax loss was after interest receivable of £15,000 (£32,000). Tax took £5,000 against £2,000 and there was a loss per 10p share of 10.07p compared with earnings of 1.07p.

The directors say that because demand for iron castings has remained low, the foundry is still closed and, consequently, the value of fixed assets has been reduced by the value of the foundry buildings and others which are not of use.

In recent months, the order book has shown signs of improvement, but they say it is still impossible to predict the current year's results with any certainty.

* * *

In its first year since coming to the Unlisted Securities Market, Lorlin Electronics, switch manufacturer, has reported pre-tax profits well ahead of forecast at £367,000 for 1983 against £306,000. The directors had forecast profits to be in excess of £300,000.

Lorlin, which is based in Billingshurst, Sussex, had turnover of £2.55m (£2.06m). After tax of £135,000 (£85,000) and an extraordinary debit of £26,000—the USM placing costs in April—attributable profit is £356,000 (£221,000). After paying the dividend, recommended at 1p, retained profit is £304,000.

Earnings per share are 7.64p (4.42p), ahead of the forecast 6p.

* * *

As a result of changing its year-end from July 31 to December 31, Linread's latest figures are for a 17-month period and these show pre-tax losses of £595,000 compared with £658,000 at the end of July.

The recovery in profit is largely the result of reorganisation with trading conditions during the last five months being marginally easier.

Provided that the present performance is maintained, as the board expects, it is intended to declare a dividend of 1p at the next interim stage. A nominal interim of 0.1p was paid on December 13.

Turnover of this manufacturer of cold forged fasteners was £21.33m in the 17 months to December 31—at July 31 it amounted to £16.02m.

Earnings per share were 14.06p (15p at July 31).

* * *

A small dip in interim profits at Lyon & Lyon was more than offset in the second half resulting in a higher full-year total of £402,414 compared with £208,639. Secondhalf profits rose from £60,165 to £258,365.

Turnover of this Ford main dealer and vehicle repair specialist was little changed at £12.4m, against £12m, in the 12 months to end-December 31 1983.

A higher final dividend of 4p (3.5p) lifts the year's total to 5.5p (5p) net per 25p share. Earnings were up at 6.5p against 5.91p.

Tax absorbed £184,622 (£9,572), leaving a net profit of £217,792 (£199,067). Extraordinary items, being closure of road haulage activity, absorbed £84,402.

* * *

A strong second half performance from footwear manufacturer and retailer Church and Co has enabled the group to record a 50 per cent rise in pre-tax profits for 1983.

Results show an increase from £1.86m to £2.79m, justifying the chairman's mid-term optimism. A final dividend of 8p (7p) lifts the total from 9.5p to 11p net.

Group turnover of the Northampton-based company rose from £39.06m to £44.41m, there was a 33 per cent upturn in UK manufacturing.

Interest amounted to £739,000 (£775,000) and tax £1.03m (£0.66m). Attributable profits emerged at £1.76m (£1.19m).

* * *

Pre-tax profits of Tay Homes, Leeds-based residential estate builder, increased from £243,000 to £271,000 for the six months ended December 31 1983 [illegible] turnover of £3.15m [illegible]. The interim dividend of this USM company is 1.37p [illegible].

Operating profits were £238,000 (£245,000) and the pre-tax figure included £41,000 from land sale. Tax took £[illegible] (£81,000) giving earnings per share of 3.75p (3.73p).

* * *

Over the 12 months to January 31, 1984, net [illegible] Commercial Investment Trust rose from £221,129 to £[illegible] [illegible] charges at nominal values [illegible]. Net revenue [illegible] compared with [illegible].

BANK RETURN

	Wednesday March 21 1984	Increase (+) or Decrease (—) for week
BANKING DEPARTMENT		
Liabilities	£	£
Capital	14,553,000	
Public Deposits	1,327,899,597	+ 389,610,680
Bankers Deposits	731,576,585	— 25,711,551
Reserve and other Accounts	1,407,602,[illegible]	— [illegible]
	3,481,631,483	+ 300,684,599
Assets		
Government Securities	578,530,990	+ 123,148,164
Advances and other Accounts	876,058,[illegible]	+ 66,587,[illegible]
Premises Equipment & other Secs.	2,[illegible]	+ [illegible]
Notes	10,043,044	+ 2,504,990
Coin	171,466	+ [illegible]
	3,481,631,483	+ 300,684,599
ISSUE DEPARTMENT		
Liabilities		
Notes issued	11,490,000,000	
In circulation	11,479,956,956	— 2,504,990
In Banking Department	10,043,044	+ 2,504,990
Assets		
Government Debt	11,015,100	
Other Government Securities	1,555,295,379	— 183,063,679
Other Securities	9,923,689,521	+ 183,063,679
	11,490,000,000	

SECTION III – INTERNATIONAL MARKETS

FINANCIAL TIMES

Friday March 23 1984

Record year for Danish fishing industry, Page 36

ØØ

WALL STREET

Discount rate fears dominate

INTEREST-RATE uncertainties continued to unsettle financial markets on Wall Street yesterday and stock prices dipped lower as the main investment institutions continued to take a cautious view ahead of the announcement of the latest money supply totals, *writes Terry Byland in New York.*

The announcement of a rise of $4bn in M-1 money supply which came at the end of the session had little effect in the bond market. The key long bond added 5/32 after the news to end at 96 5/32, a net half a point higher on the day, to yield around 12.46 per cent.

The stock market eased in moderate early trading as the institutions waited to see how the credit markets would respond to the money supply announcement.

There was no recovery in the stock market. Selling pressure increased as the end of the session approached. The Dow Jones industrial average closed at its lowest level of the day, a net 14.97 down at 1,155.88. Turnover of 87.8m shares was the highest for more than a week.

Analysts in the credit markets drew some comfort from the Fed's announcement of four-day system repurchases to calm pressures at the short end of the markets. The federal funds rate, closely watched for indications of Fed policy, stood at 10 7/16 per cent when the Fed intervened, later easing to 10¼ per cent.

System repurchases, effectively the Fed's use of its own funds, are seen as a more significant indication of the board's wishes than are the customer repurchases effected on almost every trading day this month.

Bond prices turned a shade better after the Fed's intervention, but retail interest remained thin.

The fall in the market at mid-session wiped out the gains of the past fortnight. But the profit-taking then slowed and leading stocks tried to steady at the lower levels.

IBM fared better than most, down only $1¼ to $112⅞, helped by reports that the success of its new personal computer has encouraged the board to seek means of warding off rivals who sell expensive software for the model.

Other technology issues ran into sellers. At $109⅝, NCR shed $1¼. AT&T topped the active stocks list, dipping by $½ to $15⅞ in a cool response to the board statement that accompanied the dividend announcement.

Heavy industrial stocks fell back, with General Motors $1⅝ down at $64⅞, General Dynamics $1⅝ lower at $46⅝ and General Electric $⅜ off at $51⅞.

Activity was renewed in Walt Disney, but this time it was the sellers who had the upper hand as takeover hopes dwindled after a generally negative response from Wall Street analysts.

Disney, which shed $1¼ to $62⅛, disclosed that it was increasing its lines of credit. Investors took the view that a downturn in attendance last year at Disneyland, the group's leisure park, is more significant for profits than its two film successes – which must both recoup substantial costs before contributing to earnings.

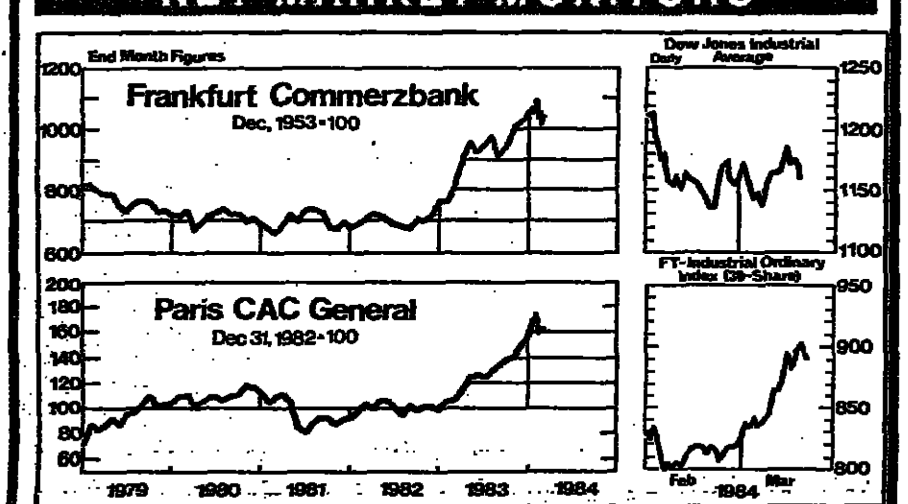
Eastman Kodak, down $1¼ at $64⅞, also gave ground, while the note of uncertainty over retail sales after this week's announcement of statistics by the Commerce Department left Sears $1⅛ down at $32¼.

Money market rates continued to climb but rates on federal securities turned easier after the fall of 1.2 per cent in durable goods orders for February suggested a slackening in economic growth. There was no great increase in retail support for Treasury bonds.

Treasury bill rates slackened, with the three-month bills discounted at 9.77 per cent, three basis points off and six-months a similar amount down at 8.98 per cent.

Gains in the short and medium-dated Treasury bonds were limited to around 3/32 but the key 30-year long bond benefited from short-covering after the recent shakeout. The key long bond added 5/32 after the news to end at 96 5/32 a net half a point higher on the day to yield around 12.46 per cent.

KEY MARKET MONITORS



STOCK MARKET INDICES

	March 22	Previous	Year ago
NEW YORK			
DJ Industrials	1155.88	1170.85	1122.97
DJ Transport	508.02	515.84	508.18
DJ Utilities	127.70	128.87	125.69
S&P Composite	156.9	158.66	150.66
LONDON			
FT Ind Ord	890.0	901.4	654.8
FT-SE 100	1117.2	1130.7	879.4
FT-A All-share	526.75	531.0	411.2
FT-A 500	572.43	577.75	443.47
FT Gold mines	676.9	690.8	550.7
FT-A Long gilt	10.12	10.10	10.85
TOKYO			
Nikkei-Dow	10455.81	10413.88	8281.5
Tokyo SE	820.88	816.95	610.32
AUSTRALIA			
All Ord.	729.8	729.6	506.8
Metals & Mins.	508.5	507.8	464.2
AUSTRIA			
Credit Aktien	55.23	55.1	53.13
BELGIUM			
Belgian SE	144.38	144.8	111.80
CANADA			
Toronto Composite	2371.3	2400.5	2110.4
Montreal Industrials	429.33	434.85	357.02
Combined	404.90	408.79	350.55
DENMARK			
Copenhagen SE	181.35	188.46	132.28
FRANCE			
CAC Gen	161.3	161.4	111.1
Ind. Tendance	103.4	103.7	69.4
WEST GERMANY			
FAZ-Aktien	352.39	351.39	291.45
Commerzbank	1035.6	1032.9	879.7
HONG KONG			
Hang Seng	1156.07	1157.29	981.45
ITALY			
Banca Comm.	221.82	223.13	214.71
NETHERLANDS			
ANP-CBS Gen	180.3	181.4	120.2
ANP-CBS Ind	130.3	131.6	103.0
NORWAY			
Oslo SE	256.09	256.5	149.2
SINGAPORE			
Straits Times	1010.18	1013.62	841.79
SOUTH AFRICA			
Golds	1042.0	1052.9	743.0
Industrials	1081.1	1079.0	832.9
SPAIN			
Madrid SE	117.2	116.8	112.03
SWEDEN			
J&P	1527.66	1524.0	1301.00
SWITZERLAND			
Swiss Bank Ind	365.0	366.3	308.7
WORLD	March 20	Prev	Year ago
Capital Int'l	n/a	186.7	163.5

GOLD (per ounce)

	March 22	Prev
London	$389.75	$392.25
Frankfurt	$389.50	$392.50
Zürich	$389.25	$392.25
Paris (fixing)	$391.39	$391.61
Luxembourg (fixing)	$391.40	$392.40
New York (March)	$387.20	$393.20

* Latest available figure

CURRENCIES

(London)	U.S. DOLLAR March 22	Previous	STERLING March 22	Previous
$	–	–	1.431	1.43
DM	2.6345	2.6475	3.7725	3.7875
Yen	226.25	226.75	324	324.5
FFr	8.11	8.1525	11.605	11.655
SwFr	2.1725	2.176	3.1125	3.115
Guilder	2.971	2.988	4.255	4.275
Lira	1630.5	1636.5	2333	2339.5
BFr	54.06	54.13	77.35	77.4
C$	1.27395	1.2767	1.8225	1.825

INTEREST RATES

	March 22	Prev
Euro-currencies (3-month offered rate)		
£	8 11/16	8 11/16
SwFr	3⅞	3 15/16
DM	5 11/16	5 11/16
FFr	14½	14½
FT London Interbank fixing (offered rate)		
3-month U.S.$	10 [illegible]	10⅝
6-month U.S.$	11¼	11⅛
U.S. Fed Funds	10⅜*	10⅜
U.S. 3-month CDs	10.35*	10.30
U.S. 3-month T-bills	9.79	9.81

U.S. BONDS

Treasury	March 22* Price	Yield	Prev Price	Yield
10% 1986	99 [illegible]	11.49	99 [illegible]	11.44
11⅞ 1991	98 [illegible]	12.38	97 [illegible]	12.36
11.75 1993	96 [illegible]	12.48	96 [illegible]	12.44
12 2013	95 [illegible]	12.53	95 [illegible]	12.52
Corporate	March 22* Price	Yield	Prev Price	Yield
AT&T				
10⅜ June 1990	91	12.50	91	12.50
3⅞ July 1990	69	10.81	69	10.81
8⅝ May 2000	71⅞	13.05	71½	13
Xerox				
10⅞ March 1993	88⅞	12.75	88⅞	12.75
Diamond Shamrock				
10⅜ May 1993	87	13.10	87	13.10
Federated Dept Stores				
10⅞ May 2013	80⅞	13.20	80⅞	13.20
Abbot Lab				
11.80 Feb 2013	89⅞	13.25	89⅞	13.20
Alcoa				
12½ Dec 2012	90⅞	13.55	91	13.50

FINANCIAL FUTURES

CHICAGO	Latest	High	Low	Prev
U.S. Treasury Bonds (CBT) 8% 32nds of 100%				
March	69-24	69-24	64-14	65-31
U.S. Treasury Bills (IMM) $1m points of 100%				
March	89.10	89.12	89.02	89.07
Certificates of Deposit (IMM) $1m points of 100%				
March	89.57	89.57	89.51	89.62
LONDON				
Three-month Eurodollar $1m points of 100%				
June	88.89	88.96	88.87	89.02
20-year Notional Gilt £50,000 32nds of 100%				
March	109-13	109-12	109-10	109-25

COMMODITIES

(London)	March 22	Prev
Silver (spot fixing)	665.85p	668.65p
Copper (cash)	£1061.50	£1060.25
Coffee (March)	£2157.50	£2142.50
Oil (spot Arabian light)	$28.40	$28.45

LONDON

Time right to take profits

LEADING shares succumbed to profit-taking in London with institutional buyers apparently unwilling to chase values higher after the record-breaking run since last week's UK budget.

The FT Industrial Ordinary index fell 11.4 on the day to 890.0, although that was deemed little more than a technical reaction when set against the 49.1 rise so far in the budget account, which ends today.

The FT-SE 100 index fell 13.5 to 1,117.2.

BICC, down 8p to 260p, remained unsettled after comment on its preliminary figures.

Conventional Government securities found little demand but trade was lively in index-linked stocks, with gains of up to a full point.

Chief price changes, Page 30; Details, Page 31; Share information service, Pages 32–33.

AUSTRALIA

LACK of interest from overseas investors and the absence of a positive lead to bring domestic institutions into the market left Sydney little changed in quiet conditions.

BHP found some late support, adding 10 cents to A$13.20 ex rights, but metal leaders tended weaker, following an easier bullion price. WMC shed 6 cents to A$4.04 and Emperor 10 cents to A$3.95, but MIM added 2 cents to A$3.26.

HONG KONG

CONCERN over a possible rise in local interest rates erased an early gain in Hong Kong, leaving shares to close mixed in active trading.

The Hang Seng index, which advanced 16 points in the first hour, later fell back, to close the day 1.22 down at 1,156.07.

Swire Pacific proved a bright spot with its "A" shares adding 40 cents to HK$20 amid unconfirmed market rumours that the trading company will announce a large bonus issue with its 1983 results, late today. Its subsidiary, Swire Properties added 20 cents to HK$7.40.

SINGAPORE

SELLING pressure in a quiet market left shares easier again in Singapore with the political uncertainty within the Malaysian Chinese Association, a member of the ruling coalition in Malaysia, adding to the hesitancy.

The Straits Times index slipped 3.44 to 1,010.18.

Shell fell 75 cents to S$8.90 after lower 1983 results, while in the tin sector Berjuntai gave up 10 cents of Wednesday's 44 cents advance to close at S$5.20.

SOUTH AFRICA

EXPECTATIONS of forthcoming rights issues contributed to inactivity in Johannesburg. Industrial shares continued their firmer trend, but gold issues were easier, with investors cautious about the outlook for world bullion prices.

Among the chief producers, President Brand fell 75 cents to R57.75 while in other minings, Rustenburg Platinum fell 30 cents to R15.50, De Beers eased 10 cents to R10.45 and Consolidated Murchison fell 35 cents to R16.65.

CANADA

SHARES turned sharply lower in Toronto with declines in golds and oils leading the downturn in all 14 main stock groupings.

The same lower overall trend was seen in Montreal, with declines recorded by industrials, utilities and banks. Papers managed to maintain a steady to firmer tone, however.

TOKYO

Hesitation evaporates near peak

INVESTORS stepped up buying toward the close of the session in Tokyo yesterday after hesitating in the morning. The Nikkei-Dow index rose close to the all-time high scored on Monday, *writes Shigeo Nishiwaki of Jiji Press.*

An overnight drop on Wall Street and the record high margin buying balance of Y2,497.9bn announced the previous day made investors reluctant to buy during the morning session. As, however, there was no overheating of the market, and the exchange seemed unlikely to tighten restrictions on margin transactions despite the bloated buying balance, purchases of incentive-backed issues increased.

The index added 41.93 to reach 10,455.81 on volume totalling 407.62m shares, compared with 460.73m the previous day. Losses outnumbered gains 375 to 343, with 169 issues unchanged.

Pharmaceuticals continued to draw buy orders in relatively large lots, with investors speculating that important drug developments might be announced within the next fortnight. Most drug-related issues advanced with the exception of Chugai Pharmaceutical, which lost Y50 to Y1,090.

Fujisawa Pharmaceutical registered its maximum one-day gain of Y100 to Y855 on reports that it had succeeded in synthesising a substance that can help to restore immunity damaged by cancer. Kaken Pharmaceutical, which rose the previous day on suggestions that it had developed an anti-cancer drug, also gained Y150 to Y1,840.

Electronics-related issues were firm. Shin-Etsu Chemical closed the day Y60 higher at Y1,480. Toshiba Ceramics added Y40 to Y1,790. Hoya Corp Y30 to Y2,180 and Dai Nippon Printing Y50 to Y1,110.

Investors also sought chemicals and cotton spinners, which are expected to report a recovery in the current business year ending in March, and beyond. They included Kanegafuchi Chemical, up Y10 at Y536, Tokuyama Soda, up Y22 at Y490, and Nisshin Spinning, up Y21 at Y645.

Leading blue chips rallied on small-lot buying after a plunge the previous day. Hitachi spurted Y23 to Y878, Matsushita Electric Industrial advanced Y30 to Y1,820 and Ricoh gained Y20 to Y1,050. Toyota Motor jumped Y40 to Y1,300.

Meanwhile, Yamato Transport soared Y100 to Y1,660 on expectations of sharp profit growth for both the current and following business years.

Buying and selling shrank on the bond market, reflecting growing concern over a possible rise in U.S. short-term interest rates. The yield on the benchmark 7.5 per cent government bonds maturing in January 1993 remained unchanged at 7.255 per cent.

EUROPE

Caution is guiding principle

MOST EUROPEAN bourses were quiet yesterday as investors remained steadfastly cautious.

One of the few bright spots was **Frankfurt**, which was buoyed by some corporate reporting. The Commerzbank index gained 2.7 to 1,035.6.

BASF produced a sparkling 66 per cent increase in pre-tax profits and saw a DM 2.40 rise to DM 168.80. Veba's 6.5 per cent rise in net profit to DM 461m, despite a drop in sales, arrived too late and the share price moved 60 pfg down to DM 173.40.

Deutsche Babcock was steady at DM 171 despite the group's strong return to profits and forecasts of staying in the black for the current year.

Other features included Schering, DM 7 higher to DM 355 in a depressed chemicals sector, where Hoechst dropped DM 1 to DM 178.

Firmer banks had Deutsche Bank DM 4.30 higher at DM 392 in anticipation of next week's dividend declaration.

The precious metals group Degussa rose DM 3.50 to DM 390.50 after announcing good profits on Wednesday, while engineer Linde was up DM 7.50 to DM 382.

A mixed stores sector saw Karstadt gain DM 2.70 to DM 264 and Horten fall DM 4 to DM 196.

Bonds steadied and the Bundesbank supplied the market with DM 8.2m of paper after buying DM 80.9m in the previous session.

A more cautious **Amsterdam** finished lower with the main setback of the day reserved for Elsevier, down Fl 35 to Fl 525 despite a 25 per cent profit increase.

Bos Kalis Westminster slipped Fl 5.10 to Fl 43 on concern that its dividend might be cut, while retailer Ahold dropped Fl 6.50 to Fl 198.

Optimism on the general state of the Dutch economy helped to offset some initial tremors emanating from Wall Street's fall on Wednesday and the ANP-CBS General index edged 1.1 down to 180.3. Bonds were almost unchanged in slow trading.

Prices drifted lower in **Paris** before the new monthly trading account today.

Foods moved ahead with Pernod-Ricard FFr 32 higher at FFr 701 and Moët-Hennessy FFr 29 up at FFr 1,401. BSN finished the day unchanged at FFr 2,420, after being FFr 5 ahead by mid-session.

Thomson-CSF slipped FFr 1 to FFr 311 after announcing its financing plans, while L'Oreal and Matra, two strong gainers in the previous session, edged FFr 2 and FFr 1 higher to FFr 2,262 and FFr 1,400 respectively.

Zurich investors reacted to Swissair's 46 per cent profit rise and one-for-12 rights issue by marking the shares down SwFr 5 to SwFr 1,045 and Jacobs Suchard surrendered most of the previous session's gain with a SwFr 50 drop to SwFr 6,550.

Bank Leu continued weaker with a further SwFr 75 fall to SwFr 3,775, a SwFr 525 drop for the week so far.

Insufficient volume and political uncertainty hit **Milan** yesterday with only the larger industrial stocks drawing support and edging higher.

Fiat gained a further L10 to L4,460 while Montedison held on to a L3.60 rise to L227.60.

Banca Commerciale led the declines in a weaker banking sector with a L750 fall to L35,700.

Stockholm was mixed and the main corporate news of the day, Electrolux's profit surge, arrived too late to alter its share price of SKr 274. Volvo moved SKr 2 higher to SKr 472.

Madrid held firm while a hesitant **Brussels** turned lower.

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

12 Month High	12 Month Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
20¾	10⅛	AAR	.44	2.3	24	122	19½	19⅛	19½	+ ⅛
52⅞	30½	ACF	1.40	2.9	611	301	49	48⅝	48¾	
22	15¾	AMCA	n .1	6.2		2	16½	15¾	16¼	
18⅞	13⅛	AMF	.50	3.8		248	13⅞	13¼	13¼	− ½
50⅞	49⅝	AMF	pf1.75e	3.5		100	50	50	50	
41¼	25¼	AMR Cp			7	2908	33⅜	32⅝	33	− ⅜
20⅜	16½	AMR	pf2.18	11.		141	19⅝	19	19	
41½	29⅝	AMR	pf2.13	6.0		347	35½	35	35⅛	− ⅛
26⅞	23⅜	ANR	pf2.67	11.		2	24½	24	24⅛	+ ⅛
23⅜	19½	ANR	pf2.12	9.9		1	21½	21½	21½	
16¾	5⅜	APL			3	58	11⅛	10⅝	11⅛	+ ⅜
65¼	42½	ARA	2.05	4.7	9	26	43¾	43½	43½	
77¼	50¼	ASA	3a	4.7		841	68	63⅝	64⅛	−2⅛
33¾	15	AVX	s .32	1.5	21	166	21	20½	20⅞	− ⅛
53⅞	39⅝	AbtLab	1.20	2.9	14	1909	41⅝	40½	40⅞	− ⅞
30¼	23⅞	AccoWd	.60	2.3	17	108	26⅛	25¾	25⅞	− ⅝
27½	17⅝	AcmeC	.40	1.8		23	22½	22	22¼	
13	8⅝	AcmeE	.32b	3.0	66	5	10½	10½	10½	
24⅞	12⅛	AdmDg	.04	.3	8	122	14⅝	14	14	− ⅛
18¼	15⅜	AdaEx	2.11e	14.		63	15⅛	15⅝	15⅝	− ⅛
19¾	8	AdmMl	.28	1.5	9	30	18½	18⅜	18½	+ ⅛
22	12¼	AdvSys			15	100	17½	17⅛	17⅛	+ ⅛
18⅝	8⅝	Advest	.12	1.2	9	155	10⅝	10¼	10¼	− ⅛
37½	15½	AMD	s		34	1812	28⅞	28⅛	28⅛	− ⅞
24⅝	12½	Aerflx	s		14	43	14⅛	14	14	− ⅛
43½	33¾	AetnLf	2.64	7.4	11	1036	35⅝	35⅝	35¾	− ¼
53⅞	54⅝	AetL	pf5.28e	9.4		5	56	56	56	+ ¼
40½	20	Ahmns	1.20	5.0	6	547	24¼	23¾	23⅞	− ⅜
7⅞	3	Aileen				20	4⅜	4¼	4⅜	+ ⅛
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

B—B—B

C—C—C

D—D—D

E—E—E

F—F—F

G—G—G

H—H—H

I—I—I

J—J—J

K—K—K

L—L—L

M—M—M

N—N—N

O—O—O

P—Q

Continued on Page 29

AMERICAN STOCK EXCHANGE COMPOSITE CLOSING PRICES

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
6⅞	1½	ATI				80	1½	d1¼	1½	
64	61	ATTFd	n.49e	.8		137	61¼	d59⅞	59⅞	-1½
12¼	3⅞	AcmePr				20	4¼	4¼	4¼	+¾
18½	12¼	AcmU	s.32	2.3	14	5	14	14	14	
14⅞	7⅞	Acton	e		9	61	13⅝	13⅝	13⅝	-¼
12	6⅞	Actoes	.11	1.1	29	108	8⅞	8⅞	8⅞	
6½	1½	Actn	wt			10	3	3	3	
8	2⅞	AdmRs			4	7	3⅞	3⅞	3⅞	
30⅞	17⅞	AdRusl	s.10	.6	11	12	17⅞	17½	17½	-½
28⅞	15	Adobe	.24	1.1	14	9	21⅛	20⅞	20⅞	-⅛
5¼	2⅞	AegisCp			13	197	4	3⅞	4	
7	4	Aeronca			4	10	5⅛	5⅛	5⅛	+⅛
32½	19¼	AfilHso	.40	1.8	9	6	22¼	22⅛	22⅛	+⅛
17½	9½	AftSor	.06e	.5	6	8	11⅛	11⅛	11⅛	
15½	5⅞	AirExp				15	6⅞	6⅞	6⅞	-⅛
6⅞	4	Alamc	n		9	105	5	5	5	
23⅛	11⅞	AlbaW	.20e	1.6	7	26	12½	12¼	12¼	-⅛
10½	5⅞	AlphaA	.49r	6.2		56	8	7⅞	7⅞	-⅛
26⅞	13⅞	Alpnsin	.35	.3	21	22	16½	16	16	-⅛
2⅞	1⅛	Altex				58	1⅛	1⅛	1⅛	-⅛
32½	11⅝	AlzaCp			125	411	13⅝	13⅞	13⅞	+⅞
29⅞	14⅞	Amdhl	s.20	1.1	18	402	17⅞	17⅞	17⅞	-⅞
25⅞	8¼	Amedco	.08	.5	18	2	15⅛	15⅛	15⅛	+⅛
7½	4¼	AmBdz	.15	2.7	12	17	5½	5½	5½	
9⅞	2⅞	AmCap			125	9	7⅞	7½	7½	-⅛
44⅞	15⅛	AExp	wt			77	19⅞	19⅞	19⅞	-½
10⅞	5⅞	Alsrael			2	2	6	6	6	-⅛
19⅞	1	AMBld				146	1⅛	1⅛	1⅛	-⅛
38⅞	27⅞	AMotn	.30	1.0	10	13	29½	29⅞	29½	
62½	47¼	AmPetf	3.20	5.3	12	19	60	59⅞	60	
8⅞	5⅞	AmPlan				75	7½	7¼	7½	-⅛
20⅞	13	APrec	.28	1.6	21	3	17⅞	17⅞	17⅞	+⅛
12⅞	4⅞	AScE				38	4⅞	4⅞	4⅞	
⅞	1-16	ASci	rt			45	5-32	3-32	⅛	

Continued on Page 30

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

Continued from Page 28

W—W—W

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
23¼	19⅞	WICOR	2.14	10	7	21	21½	21½	21½	
47½	35⅛	Wachov	1.72	3.8	9	264	45⅞	45⅛	45⅞	-⅛
34⅞	18½	Wackht	.60	2.9	13	65	21⅛	20½	20⅞	-⅛
11⅞	4⅞	Wainoc			56	64	8½	8⅛	8⅛	-⅛
45⅞	27⅛	WMrt	s.21	.6	24	1772	35	33½	33½	-2
40⅞	26½	Walgrn	.72	2.1	14	186	35⅛	33½	33⅞	-⅞
23⅞	17⅞	WkHRs	g1.32			112	19⅛	19	19	-½
32½	23	WCSv	s.40	1.4	16	64	27⅞	27½	27⅞	+¼
47⅞	31⅝	WaltJm	1.20	3.5	7	306	35⅛	33⅞	33⅞	-1⅛
9⅞	8⅛	WaltJ	pf 1	11		z50	8⅞	8⅞	8⅞	
35⅞	22⅞	Warnc	s.88	3.4	10	77	26½	26	26	-⅛
30⅞	19⅞	WmCm	1	4.5		1313	22⅞	22	22	-⅞
35	26⅞	WarnrL	1.48	4.4	13	1820	34⅞	33½	33⅞	-⅞
32⅞	26	WashGs	2.88	9.5	7	27	30⅞	30⅞	30⅞	-⅛
37⅞	21	WshNat	1.08	4.9	11	17	22⅛	21⅞	21⅞	-⅛
22⅞	18	WshWt	2.48	14	6	175	18⅛	18⅛	18⅛	
57⅞	32	Waste	.68	1.9	14	781	35⅛	35¼	35½	+¼
30⅞	18	WatkJ	s.32	1.5	11	542	21⅛	20⅞	20⅞	-⅝
15⅞	10⅞	WayGos	.20	1.6	22	6	12⅛	12⅛	12⅛	
10⅞	4⅞	WeanU				23	6⅛	6½	6½	-⅛
25	13	WebbD			21	183	17⅛	17⅛	17⅛	-⅛
40⅞	28	WesMk	.64	2.0	13	16	32½	32⅛	32⅛	
42¼	28⅞	WellsF	2.18	5.9	6	556	37⅞	36⅞	36⅞	-⅞
30	23⅞	WelFM	2.80	11	8	148	26½	25½	25⅞	-⅞
16½	10⅞	Wendy	s.24	1.6	15	1053	14⅞	14½	14⅞	+¼
32⅞	21	WestCo	.40	1.6	12	38	25⅛	24⅞	25	-⅞
41	34	WPenP	pf4.50	12		z70	37½	37½	37½	
54⅞	38⅞	WstPtP	2.20	5.7	7	430	40⅛	d38⅞	38⅞	-1⅞
7	3⅞	WnAirL				229	4⅛	4⅛	4⅛	-¼
3⅞	1⅛	WtAir	wt			32	1⅝	1½	1⅝	
17⅞	11⅝	WAir	pf			161	17⅞	17⅛	17⅛	-⅛
12	6⅞	WCNA				2408	11⅛	10⅞	10⅞	
54¼	49	WCNA	pf7.25	15.		2	50	50	50	+½
86⅞	63⅛	WPacl			8	1	85⅞	85⅛	85⅛	
47⅞	25	WUnion	1.40	5.4		723	26½	25⅞	26	-⅛
22⅞	14	Wynns	.60	3.6	10	4	16⅞	16⅞	16⅞	-⅛

X—Y—Z

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
52⅞	39	Xerox	3	7.3	9	1236	41⅛	40⅞	41	-⅛
53⅞	47⅞	Xerox	pf5.45	11.		294	47⅞	47½	47½	+⅛
37	21⅞	XTRA		2.4	18	50	27⅛	27	27	-⅛
34	23½	ZaleCp	1.28	4.8	10	16	26	25⅞	26	
23½	14½	Zapata	.84	3.7	12	1136	u23⅞	23	23	-½
52¼	31⅛	Zayre	s.30	.8	10	226	36⅞	36	36⅛	-⅝
38⅞	15½	ZenithR			13	495	28⅛	28⅛	28⅛	-⅞
27⅞	19⅛	Zero	s.36	1.7	19	97	21½	21⅛	21½	+⅛
37⅞	22½	Zurnin	1.32	5.4	11	121	24⅛	24⅛	24½	

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 per cent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a–dividend also extra(s). b–annual rate of dividend plus stock dividend. c–liquidating dividend. cld–called. d–new yearly low. e–dividend declared or paid in preceding 12 months. g–dividend in Canadian funds, subject to 15% non-residence tax. i–dividend declared after split-up or stock dividend. j–dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k–dividend declared or paid this year, an accumulative issue with dividends in arrears. n–new issue in the past 52 weeks. The high-low range begins with the start of trading. nd–next day delivery. P/E–price-earnings ratio. r–dividend declared or paid in preceding 12 months, plus stock dividend. s–stock split. Dividends begins with date of split. sls–sales. t–dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u–new yearly high. v–trading halted. vi–in bankruptcy or receivership or being reorganised under the Bankruptcy Act, or securities assumed by such companies. wd–when distributed. wi–when issued. ww–with warrants. x–ex-dividend or ex-rights. xdis–ex-distribution. xw–without warrants. y–ex-dividend and sales in full. yld–yield. z–sales in full.

WORLD STOCK MARKETS

CANADA

(Closing Prices) Stock	Mar 22	Var.
AMCA Int.	[illegible]	[illegible]
Abitibi	[illegible]	[illegible]
Agnico Eagle	[illegible]	[illegible]
Alberta Energy	[illegible]	[illegible]
Alcan Alumin	[illegible]	[illegible]
Algoma Steel	[illegible]	[illegible]
Bk Montreal	[illegible]	[illegible]
Bk Nova Scotia	[illegible]	[illegible]
Bell Canada	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]

DENMARK

Mar. 22	Price Knr %	+ or —
Aarhus Olie	351	......
Andelsbanken	245	—12
Baltic Skand	580	......
CopHandelsbank	227	—12
D. Sukkerfab	610	—25
Danske Bank	270	—8
East Asiatic	185	......
Forenede Brygg.	880	......
Forenede Damp.	191	......
GNT Hldg.	450	—45
I.S.S.B.	660	......
Jyske Bank	515	......
Novo Ind	2,460	—30
Privatbanken	230	—19
Provinsbanken	290	—13
Smidth (F.)	217	—18
Sophus Berend	1,160	......
Superfos	475	—24

FRANCE

Mar. 22	Price Frs.	+ or —
Emprunt 4½% 1973	1,870	+4
Emprunt 7% 1973	9,750	......
CNE 3%	3,420	+10
Air Liquide	516	+3
BIC	389.5	—1.7
Bouygues	655	—5
BSN Gervais	2,420	......
CIT-Alcatel	1,260	—19
Carrefour	1,596	+1
Club Mediter'n	822	+2
CFAO	647	+15
Cie Bancaire	445	—6
Cofimeg	215.5	+0.5
Creusot Loire	38	—0.6
Darty	855	......
Dumez S.A.	705	+5
Eaux (Cie Gen)	520	+4
Elf-Aquitaine	220.8	—2.2
Gen. Occidentale	570	—9
Imetal	79.8	+0.8
Lafarge Coppee	341	......
L'Oreal	2,268	+2
Legrand	1,989	+30
Maisons Phenix	265	—2
Matra S.A.	1,400	+1
Michelin B.	860	+2
Midi (Cie)	1,384	—14
Moet-Hennessy	1,401	+29
Moulinex	92.4	—0.7
Nord Est	47.5	+0.2
Pernod Ricard	701	—1
Perrier	530	—5
Petroles Fra.	218.1	—4.9
Peugeot S.A.	220	—0.2
Poclain	54.8	+0.1
Printemps Au	132.7	+0.2
Radiotech	275	—33
Redoute	1,095	+5
Roussel-Uclaf	795	+15
Schneider S.A.	118.2	—1.3
Sefimeg	245.5	—0.9
Skis Rossignol	1,261	+1
Telemech Elect	1,620	—10
Thompson (CSF)	311	—1
Valeo	260.1	—5.4

GERMANY

Mar. 22	Price Dm.	+ or —
AEG-Telef	97.5	......
Allianz Vers	781	—5
BASF	168.8	+2.4
Bayer	169.6	+0.1
Bayer-Hypo	277	+0.5
Bayer-Verein	347.5	—0.5
BHF-Bank	290	+1
BMW	410.5	—0.5
Brown Boveri	223.5	+5
Commerzbank	183.7	+1
Cont'l. Gummi	132.5	+0.3
Daimler-Benz	566	—1
Degussa	390.5	+3.8
Demag	146	......
D'sche Babcoc	171	......
Deutsche Bank	392	+4.3
Dresdner Bankk	179	+2
GHH	152.6	—0.5
Hochtief	500	......
Hoechst	178	—1
Hoesch Werke	118	—0.5
Holzmann (P.)	435	—4
Horten	196	—4
Kali und Salz	198	......
Karstadt	264	+2.7
Kaufhof	243.8	+5.3
KHD	248	+3
Kloeckner	64	......
Krupp	81	—0.5
Linde	382	+7.5
Lufthansa	167	+0.5
MAN	154.5	+0.5
Mannesmann	143.5	+0.1
Mercedes Hld	505.4	—2.1
Metallgesell	236.3	—0.7
Muench Rueck	1,110	......
Preussag	271.5	+2.5
Rhein West Elect	164.5	—1.8
Rosenthal	242.5	—3.5
Schering	355	+7
Siemens	417	—0.9
Thyssen	83.7	—1
Varta	178	—1
Veba	173.4	—0.6
V.E.W	122	+0.5
Verein-West	306	+1
Volkswagen	208.8	+0.6

ITALY

Mar. 22	Price Lire	+ or —
Banca Com'le	35,700	—750
Bastogi-IRBS	147	—4
Centrale	1,739	+8
Credito Varesino	5,600	+15
Fiat	4,460	+10
Finsider	40	......
Generali Assicur	38,200	—300
Invest	3,410	+30
Italcementi	48,499	—11
Montedison	227.6	+3.6
Olivetti	4,635	—4
Pirelli Co	3,068	+13
Pirelli Spa	1,690	+30
Snia BPD	1,698	+9
Toro Assic	13,330	+30
do. Pref	10,260	—20

AUSTRIA

Mar. 22	Price Sch%	+ or —
Creditanstalt	217	......
Goesser	328	+3
Interunfall	407	......
Laenderbank	212	+1
Perlmooser	337	+4
Steyr Daimler	151	......
Veitscher Mag	218	—1

BELGIUM/LUXEMBOURG

Mar. 22	Price Frs.	+ or —
ARBED	1,550	+10
Banq Int A Lux	5,200	......
Bekaert B	5,290	+20
Ciment CBR	2,110	......
Cockerill	230	—6
Delhaize	4,910	—90
EBES	2,400	—10
Electrobel	5,420	+250
Fabrique Nat	2,170	—20
GB Inno BM	3,110	—30
GBL (Brux)	2,500	—25
Gevaert	3,060	—80
Hoboken	6,020	—130
Intercom	1,690	—10
Kredietbank	5,850	......
Pan Hldgs	9,700	......
Petrofina	7,190	—60
Royale Belge	8,100	......
Soc. Gen. Banq	5,245	+5
Soc. Gen. Belge	1,750	—20
Sofina	5,690	......
Solvay	4,000	+45
Tractionel	3,220	—30
UCB	5,000	......
Vieille Mont	4,300	+50

NETHERLANDS

Mar. 22	Price Fls	+ or —
ACF Holding	196	......
AEGON	129	—2
Ahold	198	—5.5
AKZO	96.8	—0.7
ABN	392	—4
AMEV	154	—0.1
AMRO	72.5	—1.0
Bredero Cert	201.5	+1
Bos Kalis Westm	43	—5.1
Buehrmann-Tet	69.1	—0.6
Calland Hldgs	36.6	+0.1
Credit Lyon's Bk	54.2	—0.4
Elsevier-NDU	525	—35
Gist. Brocades	140	—2.5
Heineken	140.1	—0.6
Hoogovens	48.5	—0.4
Hunter Douglas	28	+1
Int Mueller	36.2	—1.1
KLM	191.7	+5.2
Naraden	41.1	......
Nat Ned Cert	222.5	......
Ned. Credit Bank	40	......
Ned Mid Bank	157	—3
Nedlloyd	133	+1.5
Oce Grinten	243	—2
Ommerem Van.	30	—0.2
Pakhoed	68	—0.4
Philips	46.8	—0.4
Rijn-Schelde	3.8	......
Robeco	332	—0.6
Rodamco	132.7	......
Rolinco	317.7	—0.8
Rorento	202	—0.1
Royal Dutch	152	......
Unilever	255	—0.5
VMF Stork	96	—0.2
VNU	147.5	—2.6
West Utr Bank	95.8	—1

NORWAY

Mar. 22	Price Kroner	+ or —
Bergens Bank	154	—2
Borregaard	307.5	—5
Christiania Bk.	163	—17
Den Norsk Credit	163	—4.5
Elkem	163.5	—1
Norsk Data	264	+1
Norsk Hydro	582.5	—0.5
Storebrand	232	—4

SPAIN

Mar. 22	Price Pta%	+ or —
Bco Bilbao	288	—2
Bco Central	331	+1
Bco Exterior	203	......
Bco Hispano	233	......
Bco Santander	295	......
Bco Vizcaya	378	+2
Dragados	146	+3
Hidrola	53.7	+1
Iberduero	55	+0.8
Petroleos	115.7	+1
Telefonica	80.2	+0.7

SWEDEN

Mar. 22	Price Kronor	+ or —
AGA	380	+5
Alfa-Laval	390	......
ASEA (Free)	390	+5
Astra (Free)	560	+5
Atlas Copco	125	—1
Boliden	424	—1
Cardo (Free)	490	+2
Cellulosa	165	+2
Electrolux B	274	......
Ericsson	358	—1
Essette	360	+10
Mo Och Domsjo	470	+10
Pharmacia	300	—2
Saab-Scania	375	+1
Sandvik	350	......
Skandia	400	+2
Skan Enskilda	363	+3
SKF	199	+3
St. Kopparbergs	730	......
Sven Handelsbn.	211	—11
Swedish Match	259	—2
Volvo B (Free)	472	+2

SWITZERLAND

Mar. 22	Price Frs.	+ or —
Alusuisse	850	+5
Bank Leu	3,775	—75
Brown Boveri	1,480	+15
Ciba Geigy	2,205	—35
do. (Part Certs)	1,700	—20
Credit Suisse	2,255	—25
Elektrowatt	2,690	......
Fischer (Geo.)	664	......
Genevoise	3,700	......
Hoff-Roche PtCts	100,750	—375
Hoff-Roche 1/10	10,000	—50
Jacobs Suchard	6,550	—50
Jelmoli	1,800	—10
Landis & Gyr	1,310	—5
Nestle	4,930	+5
Oer-Buehrle	1,270	—10
Pirelli	247	—3
Sandoz (Br)	5,750	—100
Sandoz (PtCts)	995	......
Schindler (PtCts)	530	......
Swissair	1,045	—5
Swiss Bank	336	—5
Swiss Reinsce	7,750	......
Swiss Volksbk	1,456	—5
Union Bank	3,420	—25
Winterthur	2,950	—15
Zurich Ins	17,850	+50

AUSTRALIA

Mar. 22	Price Aust $	+ or —
ANZ Group	5.44	......
Acrow Aust	1.5	......
Alliance Oil D.	0.78	—0.01
Ampol Pet	1.65	......
Aust Cons Ind	1.77	+0.01
Aust. Guarant	2.6	......
Aust. Nat. Inds	2.67	—0.03
Aust. Paper	2.00	—0.04
Bell Group	5.74	......
Bond Corp Hldgs	1.3	......
Boral	3.48	+0.02
B'ville Copper	2.6	......
Brambles Inds	2.6	......
Bridge Oil	3.15	—0.05
BHP	13.1xr	+0.1
CRA	5.64	—0.04
CSR	3.78	—0.02
Carlton Utd	1.96	+0.02
Castlemaine Tys	4.6	+0.05
Coles (G.J.)	3.76	—0.01
Comalco "A"	2.96	......
Consolidated Pet	1.1	—0.05
Costain Aust	1.00	—0.01
Dunlop Aust	1.54	—0.02
E.Z. Inds	4.05	—0.03
Elders IXL	4.05	—0.05
Energy Res	1.58	—0.05
Gen Prop Trust	1.94	—0.01
Hardie (J.)	3.18	—0.07
Hartogen Energy	3.05	—0.15
Herald W'y Times	2.87	......
ICI Aust	2.05	......
Jimb'lana (50cFP)	0.34	......
Kia Ora Gold	0.17	......
Lend Lease	4.62	......
MIM	3.96	......
Mayne Nickless	2.5	......
Meekatharra	2.75	......
Myer Emp	1.82	+0.02
Nat. Com. Bk	3.47	—0.01
News	10.6	—0.1
Nicholas Kiwi	2.9	......
North Bkn Hill	2.75	+0.05
Oakbridge	0.88	—0.01
Otter Expl	0.65	......
Pancont'l	1.25	—0.01
Pioneer Conc	2.12	......
Reckitt & Coln	2.68	......
Repco	1.15	—0.05
Santos	6.02	—0.08
Smith (H.)	3.1	......
Southland Min'g	0.34	+0.04
Spargos Expl	0.5	......
Thos. Natwide	1.96	+0.01
Tooth	5.22	......
UMAL Cons	3.65	+0.03
Vamgas	3.32	+0.02
Western Mining	4.64	—0.02
Westpac	3.82	+0.02
Woodside Petrol	0.93	—0.01
Woolworths	2.4	......
Wormald Intl	3.15	—0.05

HONG KONG

Mar. 22	Price H.K.$	+ or —
Bank East Asia	27	—1
Cheung Kong	10.5	—0.1
China Light	13.3	......
Hang Lung Devel	2.62	+0.02
Hang Seng Bank	47	—0.5
HK Electric	7.35	+0.05
HK Kowloon Wh	[illegible]	[illegible]
HK Land	[illegible]	[illegible]
HK Shanghai Bk	8.55	+0.05
HK Telephone	48	—0.25
Hutchison Wpa	16.2	—0.1
Jardine Math	11.2	—0.1
New World Dev	3.8	—0.1
Orient O'seas	2.95	+0.05
O'seas Trust Bk	3.05	—0.05
SHK Props	[illegible]	[illegible]
Swire Pac A	20	—0.4
Wheel'k Mard A	4.12	—0.04
Wheel'k M'time	2.00	......
World Int. Hldgs	2.47	—0.02

JAPAN

Mar. 22	Price Yen	+ or —
Ajinomoto	1,030	......
Alps Electric	2,690	+30
Amada	1,160	......
Asahi Chem	445	—1
Asahi Glass	[illegible]	[illegible]
Bridgestone	500	—1
Canon	[illegible]	[illegible]
Casio Comp	1,300	—20
Chugai Pharm	1,090	—20
Citizen	695	......
Daiei	[illegible]	[illegible]
Dai Nippon Ptg	1,110	......
Daiwa House	498	......
Ebara	483	......
Eisai	1,290	+30
Fanuc	12,200	+200
Fuji Bank	948	+2
Fuji Film	2,070	—10
Fujisawa	855	......
Fujitsu	1,240	+20
Green Cross	1,850	+10
Hasegawa	570	—5
Heiwa Real Est.	[illegible]	[illegible]
Hitachi	[illegible]	[illegible]
Hitachi Credit	1,700	......
Honda	1,080	......
House Food	781	......
Hoya	2,160	......
Itoh (C.)	290	......
Ito-Yokado	2,940	+10
Iwatsu	2,340	......
JACCS	600	......
JAL	2,910	......
Jusco	1,120	......
Kajima	284	......
Kao Soap	590	......
Kashiyama	810	......
Kirin	580	+7
Kokuyo	1,100	......
Komatsu	455	+4

JAPAN (continued)

Mar. 22	Price Yen	+ or —
Konishiroku	686	—9
Kubota	330	+5
Kumagai	440	+5
Kyoto Ceramic	10,000	—80
Maeda Const	499	—8
Makino Milling	1,560	—30
Makita	1,100	......
Marubeni	266	—1
Marudai	670	—10
Marui	1,240	+110
MEI	1,820	+50
M'ta Elec Works	700	—5
M'bishi Bank	939	+9
M'bishi Corp	538	—6
M'bishi Elec	405	—5
M'bishi Estate	457	—5
MHI	237	......
Mitsui Co	405	......
Mitsui Estate	729	+1
Mitsukoshi	546	......
NGK Insulators	753	—7
[illegible]	[illegible]	[illegible]

SINGAPORE

Mar. 22	Price $	+ or —
Boustead Hldgs	2.71	+0.01
Cold Storage	4.38	—0.04
DBS	10.00	......
Fraser & Neave	6.25	—0.05
Genting	5.35	—0.05
Haw Par. Bros	[illegible]	[illegible]
Inchcape Bhd	2.87	—0.01
Keppel Shipyard	3.38	—0.02
Malay Banking	10.5	+0.1
Malay Brew	5.7	......
Multi Purpose	1.87	—0.02
OCBC	[illegible]	[illegible]
OUB	4.42	—0.02
Sime Darby	2.57	—0.02
Straits Steamship	1.56	—0.01
Straits Trdg	5.5	......

SOUTH AFRICA

Mar. 22	Price Rand	+ or —
Abercom	2.4	—0.1
AE & CI	8.75	......
Anglo Am Coal	[illegible]	[illegible]
Anglo Am Corp	24.9	......
Anglo Am Gold	187.5	—1
Barclays Bank	14.5	......
Barlow Rand	14.9	......
Buffels	[illegible]	[illegible]
CNA Gallo	3.75	......
Currie Finance	5.5	......
De Beers	10.45	......
Driefontein	[illegible]	[illegible]
FS Geduld	[illegible]	[illegible]
Gold Fields S.A.	83.25	......
Highveld Steel	6.45	......
Nedbank	17.5	......
OK Bazaars	18.6	......
Protea Hldgs	3.3	......
Rembrandt	25.25	......
Rennies	15.5	......
Rust Plat	15.5	......
Sage Hldgs	7.5	......
SA Brews	7.9	......
Smith (C.G.)	26.00	......
Tongaat Hulett	11.8	+0.15
Unisec	5.7	......

NOTES — Prices on this page are as quoted on the individual exchanges and are last traded prices. § Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights. xa Ex all.

OVER-THE-COUNTER *Nasdaq national market, closing prices*

Stock	Sales (Hhds)	High	Low	Last	Chng
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

LONDON

Chief price changes (In pence unless otherwise indicated)

RISES

T. 2½pc I.L. 2001	£94	+ 1
Babcock Intl.	192	+ 9
Banro Inds.	58	+ 8
Bemrose	235	+21
Collins WmA	433	+33
Eng China Clays	252	+ 7
Har. Queensway	372	+14
Ladbroke	272	+10
Lorlin Elect.	158	+11
Minet Hldgs.	175	+10
New Equipment	70	+21
Woolworth	473	+28
As. Oil & Mines	6¾	+2¼

FALLS

Exch. 10½pc 88	£100⅝	— ¼
Treas. 14pc 1996	£121⅞	— ⅜
BICC	260	— 8
Beecham	323	—14
Bestobell	330	—14
Crystalate	274	—12
Exco. Intl.	558	—42
GEC	198	— 6
Glaxo	843	—22
Mnemos	18	—12
Rothmans	130	—10
Stylo	223	—40
Tricentrol	205	— 7
Ultramar	690	—15
Doornfontein	£17⅛	—1⅛
Gencor	£16⅝	— ⅝
Venterspost	£10¾	— 1

Continued on Page 38

AMERICAN STOCK EXCHANGE CLOSING PRICES

Continued from Page 29

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

ENERGY REVIEW

every Wednesday in the Financial Times

Indices

NEW YORK—DOW JONES

	Mar 22	Mar 21	Mar 20	Mar 19	Mar 16	Mar 15	1983-84 High	1983-84 Low	Since Compilat'n High	Since Compilat'n Low
Industrials	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Transport	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Utilities	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Trading vol 000's	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]				

STANDARD AND POORS

Industrials	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Composite	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

MONTREAL / TORONTO

Industrials	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Combined	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
TORONTO Composite	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

N.Y.S.E. ALL COMMON

U.S. INDICES: CLOSING VALUES. YESTERDAY'S CANADIAN INDICES: LATEST AVAILABLE

LONDON STOCK EXCHANGE

MARKET REPORT

RECENT ISSUES

Profit-taking and Wall Street weakness upsets equities

Index falls back below 900

Account Dealing Dates

Option *First Dealings	Declarations	Last Dealings	Account Day
Mar 12	Mar 22	Mar 23	Apr 2
Mar 26	Apr 5	Apr 6	Apr 16
Apr 9	Apr 26	Apr 27	May 8

* "New-time" dealings may take place from 9.30 am two business days earlier.

Potential investors adopted a more cautious attitude in London equity markets yesterday. Institutional buyers appeared unwilling to chase values higher after the record-breaking run since the Budget and leading shares succumbed to profit-taking.

At the opening, dealers lowered blue chips by a few pence in anticipation of selling. Occasional lines of stock did come on to the market, but were placed without too much difficulty. Fairly quickly the market began to show resistance to offerings described generally as modest.

As a result, the Financial Times Industrial Ordinary share index, down 7.5 at the first calculation, reduced the loss to one of 6.2 at 3 pm. Early weakness on Wall Street, however, tended to dampen sentiment late and the index closed with a fall of 11.4 on the day at 890.0. Viewed against the rise of 49.1 so far in the Budget Account, which ends today, yesterday's reaction was deemed to be little more than a technical movement.

U.S. favourites to react quite sharply in the after-hours' trade included Glaxo, Beecham, and Bowater. Among other index stocks, BICC remained an unsettled market following comment on the preliminary figures. Secondary industrials, in contrast, put up a steadier performance with further good company trading statements resulting in a number of outstanding rises.

Sterling's continued weakness against the dollar coupled with the possibility of a rise shortly in the Federal Reserve Discount Rate, which has stood at 8½ per cent for over a year, deterred prospective buyers of conventional Government securities. Only index-linked stocks attracted demand; following another broker's recommendation, trade was quite lively with selected issues gaining a full point. Routine selling in markets otherwise tending to move with LIFFE trends lowered both short and longer-dated Gilts ⅛ in subdued trading.

Clearers fall again

Sentiment in the major clearing banks remained clouded by speculation that they could join the growing rights issue queue to compensate for the withdrawal of tax relief on leasing profits and the corporation tax changes. Barclays closed 8 down at 505p, after 503p, while Lloyds relinquished 5 to 570p as did Midland to 385p. NatWest, on the other hnad, moved against the trend at 648p, up 3. A dull market since the Budget on taxation worries, Baltic Leasing rallied 12 to 252p. Henry Ansbacher cheapened 3 to 93p, after 90p, following details of the proposed share deal with Groupe Bruxelles Lambert.

Interest in the Insurance sector waned on end-Account influences. Minet provided an isolated firm feature among Lloyds Brokers, rising 10 to 175p on a resurgence of speculative support. C. E. Heath improved 3 to 373p, but Sedgwick, recently firm following the satisfactory settlement of the Australian "bush-fire" suit, slipped 5 to 260p. Life Issues failed to extend their recent rally and finished with falls ranging to 9. Pearl lost that much at 735p.

Systems Reliability, having taken the market by storm since its debut last Monday, came back 15 to 485p; this still represents a premium of 205p over the offer-for-sale price of 270p.

Concern about Belfast-based Lagen Cement's plans to import West German cement into London unsettled Blue Circle, which lost 9 to 423p, and Rugby Portland Cement, 2 off at 108p. Other leading Building issues held up quite well, but Taylor Woodrow slipped 10 to 715p, while Barratt Developments, still overshadowed by the disappointing results, closed a couple of pence cheaper at 140p. Significant movements elsewhere in the sector stemmed from trading statements. McLaughlin and Harvey rose 10 to 155p in response to the increased annual profits, but Tay Homes' interim figures were deemed disappointing and the price slipped 3 to 85p. Among Paint shares, Manders touched 168p on the increased profits and dividend before drifting back to close 2 cheaper on balance at 164p. Newsletter comment stimulated demand for Leyland Paint, which added 2½ at 26p, after 27p.

After opening lower ICI picked up to 630p prior to settling a net 4 off at 628p.

Stylo slump

Stylo Shoes slumped to 210p before settling 40 down on balance at 223p following the announcement that the contested offer from Harris Queensway had lapsed; due to Stylo's dual voting structure, Harris controlled or had received acceptances for just over 56 per cent of the equity, but only spoke for around 32 per cent of the votes. HQ closed 14 up at 372p. Elsewhere, Church attained a 1983-84 peak of 365p before closing only 2 up on balance at 362p on the annual figures. Strong and Fisher attracted late support and ended 10 dearer at 180p.

Leading Retailers displayed modest falls. House of Fraser fell 8 to 260p, while Marks and Spencer shed a few pence to 285p. An outstanding exception was provided by Woolworth which spurted 28 to 473p after announcing preliminary profits well in excess of market estimates, a better-than-forecast dividednd and a property revaluation showing a £140m surplus on book values. Secondary Stores featured fresh speculative demand for Sumrie Clothes, 8 up at 176p, and for Northern Goldsmiths, 6 better at 214p. Further consideration of the annual results lifted Home Charm 3 to 176p. Dixons, recently the subject of a brokers' review, firmed 6 more to 283p, while Combined English, initially aided by "call" option activity, closed 2 up at 68p; the latter's annual results are expected on Monday.

Leading Electricals took on a distinctly dull appearance. Further profit-taking in the wake of the disappointing annual results clipped 8p more from BICC for a two-day decline of 25p. GEC lost 6d to 196p on ports that leading analysts had downgraded their forecasts for the group as a result of BICC's performance. Thorn EMI dipped 10p to 688p and Plessey gave up 4p to 238p. High technology stocks were again well to the fore among secondary issues and none more so than Telemetrix, which leapt 26p mor eto 370p on further consideration of the interim profits upsurge. Micro Focus advanced 40p to 880p and CPU Computers put on 15p to 198p. Elsewhere, Lorlin rose 11p to 158p in response to the impressive results and Sound Diffusion reflected revived speculative support with a rise of 7p to 154p. Popular of late on hopes of early news of the sale of its china and ceramic businesses, Crystalate succumed to profit-taking and fell 12p to 274p. Arlen gave up 5p to 93p, after 90p, while Mnemos halved in value at one stage to 15p before rallying to close a net 12p down on the day at 18p.

Babcock stood out in Engineerings, rising 9 to 192p following buying ahead of the preliminary figures scheduled for next Wednesday. R. Cartwright, due to report on the same day, were also popular and finished 8 better at 120p. Better-than-expected results gave a fillip to Banro Industries, 8 higher at 58p, while Christy Bros reflected bid speculation with a rise of 3 to 42p. Astra found support at 16½p, up 3½p. Beauford closed 10 to the good at 80p and Braithwaite put on 5 to 168p. End-Account profit-taking left TI 4 lower at 284p and Vickers the same amount down at 160p.

Sellers appeared in the Food sector and both Retailers and Manufacturers gave ground. J. Sainsbury came back 10 to 500p and Dee Corporation lost 12 to 483p. Rowntree Mackintosh fell 6 to 244p and Unigate 3 to 127p. Trading statements however, prompted three bright features among second-line stocks. Clifford's Dairies Ordinary rose 10 to 150p and the A gained 8 to 123p following the good annual results, while the increased interim profits and the Board's confident statement lifted Maynards 10 to 255p. Soft drinks concern J. N. Nichols (Vimto) advanced 30 to 600p, after 610p, in response to good preliminary results and the two-for-one scrip issue.

Buying ahead of next Wednesday's annual results lifted Ladbroke 10 to a 1983-84 peak of 272p, but Grand Metropolitan drifted lower to close a net 6 off at 330p.

New Equipment jump

The retreat of the miscellaneous industrial leaders was led by U.S. favourites Beecham, 323p, and Glaxo, 843p, which closed 14 and 22 down respectively. Bowater declined 8 to 274p and Reckitt and Colman cheapened 12 to 468; the latter's preliminary results are scheduled for Tuesday. Against the trend, Pilkington continued to respond [illegible]

Low and Bonar put on 10 to 230p and Eastern Produce rose 8 to 202p. Rockware added 2 to 36p, still reflecting recovery hopes, but Metal Closures closed 10 lower at 159p following the disappointing results. Bestobell, at 330p, lost 14 more for a two-day relapse of 33 to 330p after comment on the annual results.

Good results annual left Central TV N-V 14 up at 244p and HTV N-V 9 higher at 280p.

A batch of encouraging trading statements prompted some excitement among publishers. William Collins advanced 33 to 493p with the A shares a like amount dearer at 433p following the 82 per cent preliminary profits expansion. Among Newspapers, Liverpool Daily Post and Echo improved 12 to 230p on the increased annual profits and dividend, but United, a rising market of late, shed 8 to 335p despite announcing full-year profits some 63 per cent up on last year. Proceedings among Paper-Printings were dominated by Bemrose which attracted a lively business in front of next Tuesday's annual results and touched 239p before settling a net 21 higher at 235p. Waverley Cameron, which also revealed end-of-year figures closed 4 to the good at 95p.

Among Properties, Marler Estates attracted 'new-time' buying and touched 113p before closing a net 6 up at 111p. Sheafbank improved 2 to 31p and McKay Securities firmed 5 to a 1983-84 peak of 145p, the latter in a restricted market.

Courtaulds advanced 4 to 148p, partly reflecting sizeable physical covering of Traded Option positions.

Rothmans International, a buoyant market recently on fresh takeover speculation, reacted 10 to 130p following the proposed restructuring of the respective holdings of Philip Morris and Rembrandt.

Exco International, scheduled to announce preliminary results next Monday, dipped 42 to 558p on the near-$2 fall overnight on Wall Street in the shares of its Telerate financial information services subsidiary; IBM and Merrill Lynch are to form a joint venture company which could threaten the virtual monopoly in the field currently controlled by Telerate and Reuters.

Ultramar dull

End-Account profit-taking left oils showing widespread falls. Tricentrol were finally 7 cheaper at 205p despite the increased profits and dividend, while Ultramar remained a vulnerable market and gave up 15 more at 690p. Shell retreated 8 to 655p and BP eased 2 to 485p. Britoil edged up to 270p in initial dealings but came back to close a net 3 off at 265p in front of the preliminary figures expected today. Burmah and LASMO were a like amount easier at 192p and 285p.

IC Gas moved against the general trend and managed a 3 gain at 305p.

Second-line issues showed Bristol Oil and Mineral 2 harder at 58p, after 54p, following news that the company has signed a conditional agreement to acquire oil and gas production and exploration interests in Columbia.

Among Irish exploration stocks, Atlantic closed a further 10 lower at 490p awaiting the results of oil flow tests of the appraisal well drilled by Gulf off the coast of Waterford.

News that seven senior executives are instigating legal pro- [illegible]

Golds decline

[illegible] U.S. interest rates prompted renewed weakness in the bullion price which led to further pressure on South African gold shares.

The gold sharemarket showed little change at the outset of trading, as did bullion, but mounting pressure on the latter, which dipped below $390 an ounce prior to closing a net $2.5 off at $389.75—its lowest closing level for a month—encouraged a flurry of Johannesburg selling of Golds which fell sharply around the official "house" close. Thereafter, modest "cheap" buying from the U.S. prompted a minor rally but the majority of issues were left showing substantial overall losses and the Gold Mines index dropped 13.9 to 676.9.

Gold-related Financials retreated in line with Golds. "Amgold" lost £1¼ to £87¼, while falls of a point were seen in Gencor, £16¾, and Gold Fields of South Africa, £17. De Beers dropped 12 to 583p and "Johnnies" closed a net ¼ off at £99¾ having touched a year's high of £101½ in the early trading.

London Financials were only a couple of pence easier across the board despite the downturn in domestic equities. Hampton Areas were an exception and hardened to a 1983-84 high of 247p.

A drab Platinum sector showed Lydenburg 10 down at 675p and Rustenburg 5 cheaper at 870p.

Widespread minor losses were the order of the day in Australians. Firm features were few, but CRA and North Broken Hill managed gains of 4 apiece at 380p and 182p respectively. Among the junior exploration issues, Asia Oil and Minerals jumped 2¼ to 6¾p in response to news of the acquisition of oil and interests in the U.S.

Reduced demand for call positions saw total contracts struck in Traded Options decline to 4,251—2,914 calls and 1,337 puts. ICI attracted 622 calls and 237 puts, while Courtaulds returned to favour with 569 calls struck, 293 in the April 140's which rose 3½ to 13½p. Premium changes generally mirrored those of the underlying share price with the notable exception of Hanson Trust March calls where the 180's advanced 14 to 24p, the 187's 17 to 20p, and the 200's 10 to 11p.

FINANCIAL TIMES STOCK INDICES

	March 22	March 21	March 20	March 19	March 16	March 15	year ago
Government Secs	83.00	83.16	83.15	83.10	83.33	83.12	80.52
Fixed Interest	86.81	86.84	86.81	86.81	87.16	87.16	82.39
Industrial Ord.	890.0	901.4	897.6	883.1	894.3	875.6	654.8
Gold Mines	676.9	690.8	700.4	694.9	688.4	688.9	580.7
Ord. Div. Yield	4.29	4.23	4.26	4.33	4.23	4.33	4.91
Earnings, Yld.% (full)	9.50	9.36	9.41	9.40	9.28	9.15	10.37
P/E Ratio (net) (*)	12.69	12.89	12.81	12.86	13.03	13.21	11.65
Total bargains	28,177	28,673	26,440	31,525	28,941	26,734	22,776
Equity turnover £m.	—	418.44	404.02	414.50	567.76	390.25	222.58
Equity bargains	—	25,036	24,894	28,641	27,932	24,116	19,595
Shares traded (ml)	—	223.0	215.4	222.1	274.8	200.4	142.2

10 am 893.9. 11 am 894.3. Noon 894.8. 1 pm 894.8. 2 pm 895.2. 3 pm 895.2.

Basis 100 Govt. Secs. 8/1/58. Fixed Int. 1928. Industrial 1/7/35. Gold Mines 12/1/58. SE Activity 1974.

Latest Index 01-246 8026.

*Nil=12.03.

HIGHS AND LOWS

—	1983/84 High	1983/84 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	83.77 (9/1/84)	77.00 (24/1/83)	127.4 (9/1/55)	49.18 (3/1/75)
Fixed Int.	87.48 (14/3/84)	79.03 (1/2/83)	150.4 (28/11/47)	50.53 (31/1/75)
Ind. Ord.	901.4 (21/3/84)	598.4 (12/1/83)	901.4 (21/3/84)	49.4 (26/6/40)
Gold Mines	734.7 (15/2/83)	444.6 (1/11/83)	734.7 (15/2/83)	43.5 (26/10/71)

S.E. ACTIVITY

	March 21	March 20
—Daily		
Gilt Edged Bargains	161.4	169.4
Equities Bargains	162.2	161.3
Value	845.8	816.6
5-day Average		
Gilt Edged Bargains	168.7	170.2
Equities Bargains	169.3	170.1
Value	883.3	920.1

FT - SE 100 INDEX

Close	1117.2 (—13.5)
Day's high	1125.4 (9.35 am)
Day's low	1117.0 (4.47 pm)
(Base value=1000 December 30 1983)	

RISES AND FALLS YESTERDAY

	Rises	Falls	Same
British Funds	12	81	11
Corpns. Dom. and Foreign Bonds	—	13	64
Industrials	232	309	870
Financial and Prop.	89	144	291
Oils	16	39	66
Plantations	3	5	12
Mines	17	81	74
Others	69	60	80
Totals	483	732	1,468

NEW HIGHS AND LOWS FOR 1983/4

NEW HIGHS (134)

AMERICANS (3)
CANADIANS (2)
BANKS (2)
BUILDINGS (5)
STORES (12)
ELECTRICALS (8)
ENGINEERING (7)
FOODS (3)
HOTELS (1)
INDUSTRIALS (26)
INSURANCE (4)
LEISURE (4)
NEWSPAPERS (4)
PAPERS (6)
PROPERTY (6)
SHIPPING (1)
TEXTILES (7)
TRUSTS (27)
OVERSEAS TRADERS (1)

FT-ACTUARIES SHARE INDICES

These Indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

FIXED INTEREST

EUROPEAN OPTIONS EXCHANGE

LONDON TRADED OPTIONS

OPTIONS

ACTIVE STOCKS

WEDNESDAY'S ACTIVE STOCKS

EQUITIES

FIXED INTEREST STOCKS

"RIGHTS" OFFERS

FT LONDON SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

[illegible]

Five to Fifteen Years

[illegible]

Over Fifteen Years

[illegible]

Undated

[illegible]

Index-Linked

[illegible]

INT. BANK AND O'SEAS GOVT STERLING ISSUES

[illegible]

CORPORATION LOANS

[illegible]

COMMONWEALTH AND AFRICAN LOANS

[illegible]

LOANS

Building Societies

[illegible]

Public Board and Ind.

[illegible]

Financial

[illegible]

FOREIGN BONDS & RAILS

[illegible]

AMERICANS

[illegible]

CANADIANS

[illegible]

BANKS, H.P. AND LEASING

[illegible]

Hire Purchase, Leasing, etc.

[illegible]

BEERS, WINES AND SPIRITS

[illegible]

BUILDING INDUSTRY, TIMBER AND ROADS

[illegible]

CHEMICALS, PLASTICS

[illegible]

DRAPERY AND STORES

[illegible]

DRAPERY & STORES—Cont.

[illegible]

ELECTRICALS

[illegible]

ENGINEERING

[illegible]

ENGINEERING—Continued

[illegible]

FOOD, GROCERIES, ETC

[illegible]

HOTELS AND CATERERS

[illegible]

HOTELS—Continued

[illegible]

INDUSTRIALS (Miscel.)

[illegible]

مكتامن الأصل

INDUSTRIALS—Continued

LEISURE—Continued

MOTORS, AIRCRAFT TRADES

Motors and Cycles

Commercial Vehicles

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING ADVERTISING

PROPERTY

INSURANCES

LEISURE

PROPERTY—Continued

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

INVESTMENT TRUSTS—Cont.

Finance, Land, etc

OIL AND GAS

OIL AND GAS—Continued

OVERSEAS TRADERS

PLANTATIONS

Rubbers, Palm Oil

Teas

MINES

Central Rand

Eastern Rand

Far West Rand

O.F.S.

Finance

Diamond and Platinum

Central African

MINES—Continued

Australians

1983-84 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's
28½	13½	♥ACM 20c	15½	.....	—	—	—
52	28	♥Allstate Explrn. NL	32	.....	—	—	—
10½	3¼	♥Asia Oil & Minerals	6¼	+2¼	—	—	—
19	17	♥Aust. Hydrocarbons NL	18	.....	—	—	—
40	9	♥Australis Mng NL	28	.....	—	—	—
35	11	♥Balmoral Res	32	−1	—	—	—
60	29	♥Black Hill Mins	32	−1	—	—	—
104	51	♥Bond Corp	98	−1	Q10c	0.7	6.9
183	116	♥Bougainville 1 Kina	177	+1	Q16.4c	ϕ	6.3
396	204	♥CRA $2	380	+4	Q12c	ϕ	2.1

Tins

Miscellaneous

NOTES

REGIONAL AND IRISH STOCKS

The following is a selection of Regional and Irish stocks, the latter being quoted in Irish currency

Albany Inv. 20p	76	−1
Craig & Rose £1	900	....
Finlay Pkg. 5p	46	....
Higsons Brew.	117	....
Holt (Jos) 25p	900	....
IoM Stm. £1	150	....
IRISH		
Exch. 12% 1985	£99⅛	−⅛
Nat. 9¾% 84/89.	£87½	....

Fin 13% 97/02	£92¼	....
Alliance Gas	70	....
Arnott	225	+7
CPI Hldgs.	82	..
Carrol Inds	118	−2
Hall (R. & H.)	63½	−2½
Heiton Hldgs.	21	.....
Irish Ropes	53	.....
Jacob (W.& R.)	60	.....
TMG	60	.....
Unidare	70xd	.....

OPTIONS

3-month call rates

Industrials	
Allied-Lyons	15
BOC Grp	27
BSR	26
Babcock	17
Barclays Bank	45
Beecham	32
Blue Circle	40
Boots	16
Bowaters	25
Brit Aerospace	20
BAT	75
Brown (J.)	3
Burton Ord	22
Cadburys	11
Comm Union	16p
Courtaulds	11
Debenhams	14
Distillers	22
Dunlop	5
FNFC	6¼
Gen Accident	42
Gen Electric	16
Glaxo	70
Grand Met	30
GUS 'A'	55
Guardian	50
GKN	20
Hanson Tst.	17p
Hawker Sidd	38
Hse of Fraser	26
ICI	42
'Imps'	12
ICL	7½
Ladbroke	23
Legal & Gen	45
Lex Service	40
Lloyds Bank	50
'Lots'	3
Lucas Inds	18
'Mams'	14
Marks & Spcr	20
Midland Bk	36
NEI	10
Nat West Bk	60
P & O Dfd	25
Plessey	20
Racal Elect	18
RHM	8
Rank Org Ord	24
Reed Intnl	40
Sears	8
TI	22
Tesco	16
Thorn EMI	55
Trust Houses	18
Turner Newall	10
Unilever	75
Vickers	14
Woolworth Hldg	50
Property	
Brit Land	11
Cap Counties	16
Land Secs	25
MEPC	25
Peachey	17
Samuel Props	12
Sterling Guar.	4
Oils	
Brit. Oil & Min.	9
Brit Petroleum	35
Burmah Oil	17
Charterhall	9
Premier	6
Shell	55
Tricentrol	20
Ultramar	60
Mines	
Charter Cons	24
Cons Gold	58
Lonrho	12
Rio T Zinc	60

A selection of Options traded is given on the London Stock Exchange Report page.

"Recent Issues" and "Rights" Page 31

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £700 per annum for each security.

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

INSURANCES

Insurances—continued

Offshore & Overseas—continued

Money Market Trust Funds

Money Market Bank Accounts

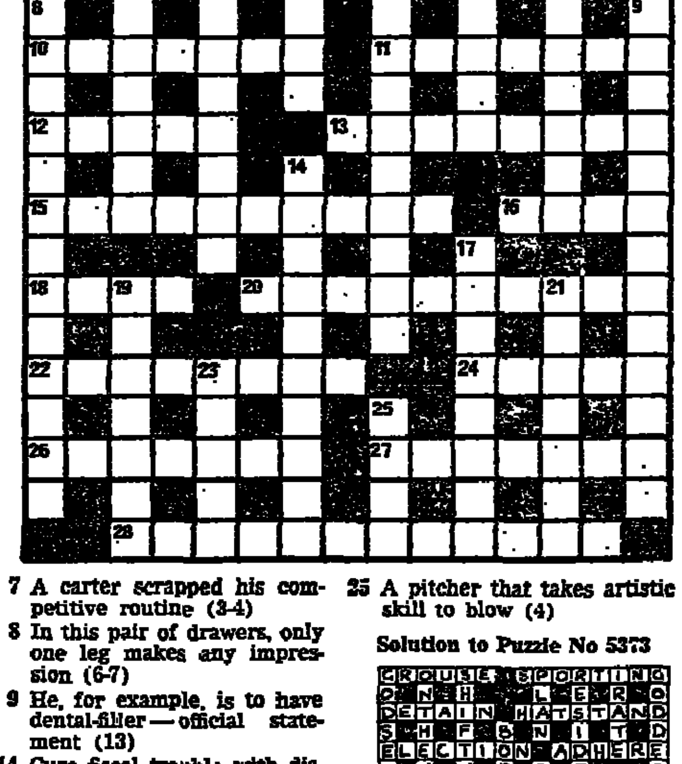
Colonial Mutual Group
24 Ludgate Hill EC4P 4BD. 01-248 9861
Capital Life Assurance

Key Inv Fd	—	130.48	....	—
Pcmkr Inv Fd	—	130.01	....	—
Equity Fd	115.61	121.69	....	—
Fxd Int Fd	109.34	115.09	....	—
Propty Fd	103.49	108.94	....	—
Cash Fd	101.91	107.27	....	—
Managd Fd	118.91	125.17	....	—
Col Mut Life (Pension Annuities)				
ManCoA/B	106.67	112.29	....	—
ManInvA/B	107.24	112.90	....	—

Commercial Union Group
St Helens, 1 Undershaft, EC3. 01-283 7500

VarAnnAccUts	—	165.60	....	—

F.T. CROSSWORD PUZZLE No. 5,374



ACROSS

1 Unpleasant type incapable of fair trading? (4, 8)
10 Call out turncoat to take part in vigil (7)
11 One who flies kites must find a way to a hill (7)
12 Conservative member to rise in society (5)
13 Perhaps in tears after king has to keep in check (8)
15 Record-turning—work or play for lumberjacks? (3-7)
16 I graze but not entirely in Africa (4)
18 It is due to needing ring to marry (4)
20 To bar crime, perhaps, this kind of pressure is displayed in lobbies (10)
22 Tchaikovsky symphony sadly inadequate—patch it roughly with Elgar's first (8)
24 I am shortly going to bed—turn down the light (5)
26 Describing the manufacture of tin-cans, in a way (7)
27 Keep it in mind in the country (7)
28 Unusual lives reaching their greatest success—slander must result (4-8)

DOWN

2 Third in regatta, pulling away and increasing length (7)
3 Time to reserve almanac (4-4)
4 Employer sure to need organisation . . . (4)
5 . . . organisation of employees in traffic junction (5-5)
6 One among the greatest, but slightly wet (5)
7 A carter scrapped his competitive routine (3-4)
8 In this pair of drawers, only one leg makes any impression (6-7)
9 He, for example, is to have dental-filler—official statement (13)
14 Cure fiscal trouble with display of brown jumpers (4-6)
17 Revolutionary stout fellow in university (8)
19 Platform of dearest construction (7)
21 Very sore point outlined once more (7)
23 Bit of a rotten nuisance, this langour (5)
25 A pitcher that takes artistic skill to blow (4)

Solution to Puzzle No 5373

INSURANCE & OVERSEAS MANAGED FUNDS

Barclays Life Ass.—Cont.

Income Accum	137.2	144.5	-0.5	
Universal Tec. Acc	93.1	98.0	+0.1	
Do. Initial	92.2	97.1	+0.1	
Man Pens. Accum	273.0	282.4		
Do. Initial	222.3	234.0		
Gilt Edg Pens. Accum	223.9	235.7		—
Do. Initial	176.3	185.6		—
Money Pens. Accum	194.2	204.5		—
Do. Initial	154.2	162.4		—

Black Horse Life Ass. Co. Ltd.
71, Lombard St., EC3 01-623 1288

Black Horse Man. Fd		248.57		—
Managed Inv. Fd.	167.90	176.74		—
Property Fd.	153.56	161.64		—
Fixed Interest Fd.	149.17	157.03		—
Cash Fd.	138.42	145.71		—
Income Fd.	195.19	205.47		—
Extra Income Fd.	189.37	199.34		—
Worldwide Growth Fd.	222.77	234.50		—
Balanced Fd.	191.43	201.51		—
Smlr Co's & Recs. Fd	226.65	238.58		—
Int. Technology Fd.	250.17	263.34		—
Nth Amer & Gen. Fd	143.51	151.57		—
Energy Int. Fd.	126.65	132.48		—
Pacific Basin Fund	152.31	160.33		—

British National Life Assurance Co. Ltd.
Harlands Rd, Haywards Heath. 0444 414111

Managed	120.1	126.4		—
Property	124.5	131.0		—
Equity	130.3	137.2		—
International	131.7	138.7		—
Fixed Interest	107.8	112.3		—
Deposit	101.8	107.2		—
Managed Pen. Cap.	119.9	126.2		—
Property Pens. Cap.	126.2	132.8		—
Equity Pens. Cap.	125.8	132.0		—
Intl. Pens. Cap.	135.7	142.8		—
Fixed Int. Pens. Cap.	102.5	107.9		—
Deposit Pens. Cap.	98.6	103.8		—

Canada Life Group
2-6, High St., Potters Bar, Herts. P. Bar 51122

Equity Gth March 1		103.6		—
Rent. Fed. Mar 6		275.2		—
Managed Pen Fund	190.5	200.5		—
Property Pen Fund	117.8	124.0		—
Index Lnkd Pen Fund	111.0	116.9		—
Managed	130.7	137.6	-0.1	—
Property	106.4	112.1		—
Gilt and Fixed Interest	110.1	115.9		—
Index-Linked	95.0	100.1	+0.5	—
Equity	132.5	139.5	-0.4	—
Cash	107.0	112.7		—
Midland Bk. Unit Tst.	130.2	137.1	-0.3	—

G.T. Management Ltd.
16 Finsbury Circus, Lond EC2M 7DJ 01 628 8131

G.T. Plan Bond Fund	126.2	132.9	-0.2	—
GT Pln High Yld Fnd	136.3	143.5	+0.9	—
GT Plan Far East Fnd	139.6	147.0	-0.6	—
GT Plan N. Am Fd	124.1	130.7	+0.2	—
GT Pln UK&G.E. Fnd	156.1	164.4	+0.7	—
GT Pln Wrldwde Fnd	150.8	158.8	-0.1	—
GT Pension Bnd Fnd	138.6	145.9	-0.2	—
GT Pen High Yld Fd	158.3	166.7	+1.1	—
GT Pen Far East Fd	174.8	184.1	-0.9	—
GT Pen N. Am. Fd	173.5	182.7	+0.5	—
GT Pen UK & G.E. Fd	181.3	190.9	+0.8	—
GT Pen Worldwide Fd	162.1	170.7	-0.4	—

Prices for Accum Units only

Assicurazioni GENERALI S.p.A.
177, Fenchurch St., EC3M 5DY 01-488 0733

Intl. Managed Bond	170.6	179.6		—

General Portfolio Life Ins. PLC
Crossbrook St., Cheshunt, Herts. Waltham X 31971

Portfolio Fd. Acc.		264.2		—
Portfolio Fd. Inc.		216.1		—

See adjacent page Mon-Fri and Stock Exchange Dealings page Sat

Gresham Unit Ass. Ltd.
2-6, Prince of Wales Rd B'mouth. 0202 767655

Managed Fd.	288.2	303.7	+4.4	—
Money Fd	158.5	164.9	+0.3	—
Equity Fd.	242.1	255.1	+4.5	—
Fixed Int. Fd	121.6	128.1	-0.3	—
Property Fd	176.2	185.7		—
Managed Pen. Fd.	281.2	296.3		—
Equity Pension Fd	181.4	191.2		—
Fixed Int. Pen. Fd.	172.5	181.8		—
High Yield Pen. Fd.	170.0	179.1		—
Money Pension Fd.	132.3	139.2		—
Property Pension Fd	129.9	136.9		—

Gresham/Framlington

American & Gen. Fd.	231.2	243.6	+1.2	—
Income Fd	220.8	232.7	+1.1	—
Int'l. Growth Fd.	274.0	288.7	+0.3	—
Capital Fund	226.1	238.3	+1.5	—
Recovery Fund	167.3	176.3	+0.9	—
Japan & Gen Fd.	103.4	109.0		—

Growth & Sec. Life Ass. Soc. Ltd.
48, London Fruit Exchange, E1 6EU 01-377 1122

Flexible Finance	1.536	—		—
Landbank Secs.	0.6674	—		—
Landbank Secs. Acc	189.2	194.1		—
G. & S. Super Fd	£11.590	—		—

Guardian Royal Exchange

[illegible]

OFFSHORE AND OVERSEAS

[illegible]

Wardley Investment Services Ltd.
4th Floor, Hutchison House, Hong Kong

Wardley Trust	$6.00	6.35		3.18
Wardley Nikko As. Fd.	$28.63	30.72		4.88
Wardley Bond Trust	$10.74	11.30		8.23
Wardley Japan Trust	$33.35	35.73		0.42
Wardley Prv Cap Tst	$10.17	10.71		—

WestAvon Secs (Guernsey) Ltd
Borough Hse, St Peter Port, Guernsey 0481 27963

Gilt & Option Fd	£1.18	1.23		2.50
US $ Option	$0.84	0.89		—

World Wide Growth Management ϕ
10a, Boulevard Royal, Luxembourg

Worldwide Gth Fd	$13.08			—

for Adv · M & G Inv. Mngt., Ltd., London.

Wren Commodity Management Ltd.
10, St George's St., Douglas IoM 0624 25015

Wren Com. Fund	23.8	24.8		—
Chinese Fund	62.7	65.3		—
Precious Metal Fund	145.5	151.2		—
Vanguard Cmdy Fd	34.5	35.4		—
Financial Futures Fd	73.2	76.2		—
Wren Intl Fnd.*	$0.814	0.847		—

NOTES

Prices are in pence unless otherwise indicated and those designated $ with no prefix refer to U.S. dollars. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of UK taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. Z Previous day's price. ¶ Guernsey gross. # Suspended. ϕ Yield before Jersey tax. † Ex-subdivision. ‡‡ Only available to charitable bodies. ϕ Yield column shows annualised rate of NAV increase.

COMMODITIES AND AGRICULTURE

Record year for Danish fishing industry

By Our Copenhagen Correspondent

DENMARK'S fishing industry had record earnings last year, with sales of DKr 9bn (£650m) of fish and fish-related products, compared with DKr 7.8bn the previous year.

Exports accounted for almost the entire production at DKr 7.5bn the previous year, according to the Danish Fisheries Economic Institute.

● **Danish fishermen**, who have been on strike for three weeks over EEC by-catch regulations, are threatening to poach cod for human consumption in the Baltic this weekend and convert it for industrial use unless the Government extracts more flexible by-catch regulations.

● **TOTAL MILK** production in the United States this year is expected to decline 3-5 per cent from the record 140m lbs produce last year.

● **CANADIAN** grain exports in the current crop season will surpass last year's 29m tonnes by at least 1m tonnes, says federal grain transportation agency administrator Jack Horner.

● **A JAMAICAN** request for $4m of Community Credit Corporation credit guarantees earmarked for U.S. lumber to be switched to feedgrain sales has been accepted, the U.S. Department of Agriculture said.

● **JAPAN'S** former 6m-tonne stockpile of surplus rice is almost gone. Japanese officials say developing nations which bought the rice at concessionary prices will have to look elsewhere.

● **THE BRAZILIAN** Coffee Institute registered 230,000 bags of coffee for export yesterday, up from the previous day's 75,000 bags.

'Future of world tin industry at risk'

BY JOHN EDWARDS, COMMODITIES EDITOR

THE VERY future of the world tin industry is at stake, Mr Paul Leong, Malaysian Minister of Primary Industries, warned yesterday.

Addressing a meeting of the International Tin Council in London, Mr Leong said they were in the midst of a critical period of change and the International Tin Agreement faced an extraordinary situation unprecedented in its 28-year-old history.

Mr Leong said there was a structural decline in world tin consumption. Demand for traditional metals, such as tin, was stagnating in the industrialised countries, and consumption in developing countries was not expanding fast enough to pick up the slack.

He said the problem had been compounded in recent years by a disappointing lack of co-operation by consumers. Producing countries had made considerable sacrifices and taken positive steps to reduce smuggling.

Mr Leong stressed Malaysia's confidence in the International Tin Council as the primary institution to stabilise the world market. Consumers had nothing to fear from the newly formed Association of Tin Producing Countries, whose work was complementary.

Mr P. de Koning, buffer stock manager, said yesterday he would oppose any plan to cut the existing agreement "floor" price from its present level of $M29.15 a kilo. However, it is believed the buffer stock is pressing for formal approval to operate—both buy and sell—below the "floor" if necessary to provide more flexibility.

The buffer stock claims to have a profit last year, but would like more funds to squash constant market rumours that it is running out of money.

Tin prices eased again on the Metal Exchange yesterday, with traders ignoring a Tin Council forecast that there will be a supply deficit of 16,000 tonnes in the first half of 1984. Three months tin closed £25 lower at £8,517.5 a tonne.

Palm oil trading resumes

BY WONG SULONG IN KUALA LUMPUR

PALM OIL futures trading on the Kuala Lumpur Commodities Exchange (KLCE), suspended for a week, resumed yesterday under stringent rules.

A total of 141 lots of 25 tonnes was transacted with thin trading mainly confined to liquidation of previous positions.

Spot April was traded only up to a high of 1,530 ringgit ($462.23) per tonne, compared with the 1,800 ringgit level for physical palm oil during the suspension period.

Under the new rules, KLCE members are allowed to trade up to a maximum of 100 lots on any trading day, and any single deal must not exceed five lots. No floor member can hold more than 200 lots (100 lots for non-floor members) of either the long or short position, or 10 per cent of the total position, which ever is greater, in any delivery month.

The clearing house has also imposed a new cover fee of 5,000 ringgit on each member as a registration requirement but earlier demand for an additional 700,000 ringgit in margin deposits has been reduced to 500,000 ringgit.

Officials say the tough rules were designed to ensure orderly and non-speculative trading to allow a gradual return of confidence.

Progress toward investor protection

By John Edwards

PEACE HAS broken out between the London Metal Exchange and the other London futures exchanges over moves to provide greater protection for investors.

The Metal Exchange has applied to participate fully in the work of the formation committee, instead of its previous role as only an observer.

This has been welcomed by Mr Alistair Annand, chief executive of the formation committee, who said it should help make faster progress towards establishing the association with all the futures exchanges fully involved. It is hoped that the Association will be established within the next few months.

Its main purpose is to draw up a code of conduct for brokers; devise a compensation scheme to protect small investors; and work out a system of self-regulation in line with Professor Gower's recommendations to satisfy the Government.

Last September, the LME announced it was going ahead with its own compensation fund. It may still do so. However, it was decided to seek a closer relationship with the formation committee, since the bulk of LME members with private clients who also trade in the exchanges would automatically become members of the proposed association.

● The London soyabeanmeal futures market is to move from its existing premises in the Corn Exchange to the Baltic Exchange, probably at the beginning of July. It is hoped that moving soyameal to the same place as the other agricultural futures market will help boost interest from the present low level of trading activity.

Farmers rally against 'cock and bull' scheme

BY RICHARD MOONEY

BRITISH FARMERS massed in London yesterday to voice their alarm at EEC cost-cutting proposals which they claim threaten to devastate their industry.

Before moving on to lobby Westminster MPs, who were debating the Common Market farm price package last night, some 600 farmers packed into Central Hall Westminster to hear a rallying address from Sir Richard Butler, president of the National Farmers' Union of England and Wales.

Plans to hold down farm support prices and cap excess milk production meant British farmers faced a greater threat to their livelihood than at any time since the war, he told them.

"The Government must ensure that British agriculture is not sacrificed in the negotiations on restructuring the Common Market budget."

The NFU president listed the changes required by farmers in the package agreed by most Community farm ministers last week.

There must be no revaluation of the Green Pound (which would cut support prices in sterling terms), milk producers must be given time to adjust to lower production; there must be no increase in the milk production levy; milk quotas should be transferable between farms; the beef variable premium system must not be scrapped; the benefits of the EEC sheep regime must be maintained; and there must be no further undermining of Common Market farm support arrangements.

The proposed milk quota system, which the union estimates will result in a cut of at least 10 per cent in British production, seemed to be the main cause for anxiety at the meeting.

One Yorkshire farmer warned that this "cock-and-bull" scheme could be the beginning of the end for British agriculture.

"Dairy farming is the linchpin of the industry," he said. "It is the biggest user of cereals and the main source of stock for the beef industry. If dairying goes, the rest of the industry goes with it."

Another speaker, from Staffordshire, declared that NFU members from his area were prepared to "stand up and fight" for the survival of the industry. But he seemed to have little hope of success.

"Our Government doesn't care a damn about us," he said. "All it wants is cheap food."

Lambing figures back a political hunch

A MAJOR problem of farming is that it is not very flexible. Production cycles for most grain crops are at least a year, for sheep at least three years, cattle between five and seven and so on. This makes it very difficult to switch output according to short term considerations.

I learnt only last autumn that there was a good chance that the EEC was going to alter the sheepmeat regime so that the support given would no longer be a straight deficiency payment—the difference between the market price and the guarantee. A new and much more complicated formula could, according to my calculations, reduce my return by about £8 per lamb or £10 per breeding ewe.

By the time this had sunk in, my ewes were already being mated, the winter feed was ready and the pastures had been sown for feeding the sheep this spring and summer. There are no economies to be made in feeding stuffs and shepherds' wages. If the sheep are not properly looked after the end result is pretty dreadful—unthrifty (weak) lambs, not enough of them and a generally deteriorating flock.

So I hoped that Brussels was again crying wolf and did my best with the ewes. They wintered very well. There was plenty of good grass in the autumn and although January was very wet (deep late wet weather) they began to lamb at the end of February in very good condition. The first results made me think that the ewes had received the message and were cutting production to the market.

Normally we have 70-80 per cent twins, with a few triplets and singles almost a rarity. One needs a surplus of lambs to make, say, 160 lambs per 100 ewes. My experience is that four of every 100 ewes mated will die, four will be barren and two will fail to rear their lambs.

The first ewes to lamb produced only 50-60 per cent of twins and no triplets at all. I had expected better than that because mating conditions had been good and the ewes were obviously thriving. The number of lambs conceived is generally believed to be related to the condition of the ewes at conception and they were in an improving state without being too fat.

FARMER'S VIEWPOINT: By John Cherrington

I have concluded that they had not improved enough. They had a period of fairly short commons during the summer drought and there was plenty of grass in September when they were mated but it is now apparent that things were not quite right then.

A ewe will take the ram once in a 17-day cycle. To check what is going on we put marking bricks on the rams, changing them to another colour every eight days.

In the first period, only 70 ewes out of 1,300 were marked, in the next 300 and then 850 in the third period, with the balance bringing up the rear. Normally, I would have expected the births to be nearly equal in the periods. It seems obvious that the ewes were not really at peak mating status in the early week.

Had I realised this I could have delayed mating for two or three weeks, but my system is geared to getting the bulk of the lambs in early March.

I normally lamb in the fields, having the ewes watched all the daylight hours. Any ewe or lamb which is in trouble or even looks as though she might be, is brought into a barn where there is a full inventory of pens, extra milk and life support systems for bringing the most reluctant lamb back to life.

Many farmers are now lambing indoors. This doubles the work load as the ewes have to be watched all the time, otherwise lambs become mismothered or trampled by the flock. There are dangers of disease infection.

I had hoped not to have to lamb indoors but I think I shall be doing so next year. Certainly, those who do so claim to save more lambs and it is easier for the shepherd.

Although numbers born are now up to normal and the ewes have plenty of milk to make the lambs thrive, it will not be a vintage year. There have been more losses than usual among ewes and it also looks as if the number of barren ewes are also above average so my lamb crop might be a little down.

PRICE CHANGES

LONDON OIL

A weak New York close brought the gas oil market in about a dollar lower. Prices quickly moved up slightly before settling into a narrow range for the rest of the morning and through most of the afternoon, before edging up towards the close and ending at the highs, reports Premier Man.

GOLD MARKETS

Gold fell $3½ to $389½-390 on the London bullion market yesterday. It opened at $391½-392½, and was fixed at $391.60 in the morning, and $389.35 in the afternoon. The metal touched a high point of $392-392½, and a low of $387½-388.

In Paris the 12½ kilo gold bar was fixed at FFr 102,500 per kilo ($391.39 per ounce) in the afternoon, compared with FFr 102,500 ($391.53) in the morning, and FFr 103,000 ($391.61) Wednesday afternoon.

In Frankfurt the 12½ kilo bar was fixed at DM 33,415 per kilo ($393.02 per ounce), against DM 33,615 ($393.51), and closed at $389½-389¾, compared with $392½-392¾.

In Luxembourg the 12½ kilo bar was fixed at the equivalent of $391.40 per ounce, against $392.40.

In Zurich gold finished at $389-389½, compared with $392-392½.

EUROPEAN MARKETS

BRITISH COMMODITY PRICES

BASE METALS

BASE-METAL PRICES continued to move ahead on the London Metal Exchange.

COPPER

TIN

LEAD

ZINC

ALUMINIUM

NICKEL

SILVER

COCOA

COFFEE

GRAINS

PIGMEAT

POTATOES

RUBBER

SOYABEAN MEAL

WOOL FUTURES

COTTON

MEAT/FISH

INDICES

Imported produce: Ortaniques — Jamaican: 4.60-5.40. Minneolas—Jaffa: 12-kg 4.60-5.70; U.S.: approx 14-kg 8.00-8.50. Temples—Jaffa: 5.20, Murcot 5.50. Satsumas — Spania: 2.40-3.00. Wilkings — Spania: 3.80-4.20. Kara: Spania: 3.80-4.40. Clementines—Spania: 82/120 4.80-5.00, 132/168 4.20-4.60. Oranges—Spania: 4.20-4.50; Moroccan: Moroc Lates 3.60-4.50; Jaffa: Shamoutis 20-kg 60 5.10, 75 5.30, 88 4.70, 105 4.00, 123 4.80, 144 4.30 168 4.90, Hadar 60 3.90, 75 3.75; Cyprus: Ovals approx 15-kg 3.80-4.20, Valencia Lates 3.60-4.00; Italian: Bloods, trays 3.00-3.50. Lemons — Italian: carton 4.00-4.50; Cyprus: 10-kg boxes 2.50-3.60; Greek: 15-kg 4.00-5.00; Spania: 5-kg 1.50-1.80; Jaffa: 15-kg 4.00-5.25, 6-kg 3.00-3.20. Grapefruit—Jaffa: 20-kg 36 5.80, 40 5.90, 48 5.60, 56 5.30, 64 4.90, 75 4.80; U.S.: ruby 9.00-10.00; Cyprus: 32 3.80-4.00, 40 3.60-3.80, 48 3.50-3.60, 56 3.20-3.40, 64 2.80-3.00. Pomelos—Jaffa: 5.20-6.85. Kumquats—Moroccan: 1.00-1.10; Brazilian 1.10-1.20. Apples—Cape: Golden 10.50-11.00, Dunn's 9.00-10.00; French: Golden Delicious carton 4.50-6.50, Granny Smith carton 8.80-9.50 Starkcrimson carton 6.20-6.80; Italian: per pound, Rome Beauty 0.16-0.17, Golden Loose 0.13-0.14;

OAPs to get bonus

OLD age pensioners are to receive a £10 bonus at Christmas, the same sum as last year. The payment will not be means tested and the total cost will be about £140m. This will be the tenth bonus since the scheme was introduced in 1972, although it was suspended in 1975 and 1976.

Car licence plate transfers earn £2m

THE GOVERNMENT raised £2.1m last year from fees paid by car owners for the transfer of personalised number plates, Transport Minister of State, Mrs Lynda Chalker, said yesterday.

The money is used to offset the costs of running the Driver and Vehicle Licensing Centre, she added in a Commons written reply.

AMERICAN MARKETS

NEW YORK, March 22.

Unwinding of spreads resulted in a mixed close in soybeans with old crop ... lower close. Aluminium prices were mixed with the spot values affected adversely by the durable goods figure.

مكتبة الأصل

CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar eases in nervous trading

The dollar finished close to its lowest level of the day and down from Wednesday's close in the London foreign exchange market yesterday. There was some reluctance to push the U.S. unit much beyond recent trading ranges with concern over the size of the U.S. budget deficit giving rise to fears that the Federal authorities may tighten its credit policies.

Euro-dollar rates were firmer yesterday but this included some technical reaction owing to the proximity of the financial year end. The Fed's decision to add liquidity to the U.S. money market was sufficient to encourage dollar sales in an already unsettled market and the dollar lost ground towards the close of business. Quotations in the dollar/D-mark were particularly volatile with the dollar moving almost a pfennig higher in early New York trading, from London's lower closing level.

The dollar closed at DM 2.6345 from DM 2.6475, having touched a low of DM 2.6320. Against the Swiss franc it eased to SwFr 2.1725 from SwFr 2.1760 and Y226.25 from Y226.75. It was also down against the French franc at FFr 8.11 from FFr 8.1525. On Bank of England figures, the dollar's trade weighted index fell to 127.6 from 127.7.

STERLING — Trading range against the dollar in 1983-84 is 1.6245 to 1.3955. February average 1.4409. Trade weighted index 80.3 at all three calculations and compared with 80.5 on Wednesday and 85.0 six months ago.

Sterling was slightly weaker overall. It remained quite steady against the dollar but the latter's weaker trend pushed sterling down against European currencies. It traded in a narrow range of $1.4260-1.4335, having opened at $1.4300 and closed at $1.4305-1.4315, a rise of 10 points from Wednesday's close. Against the D-mark it slipped to DM 3.7725 from DM 3.7875 and SwFr 3.1125 compared with SwFr 3.1150. It was also lower against the yen at Y324 from Y324½ and FFr 11.6050 against FFr 11.6550.

D-MARK — Trading range against the dollar in 1983-84 is 2.8425 to 2.3320. February average 2.7000. Trade-weighted index 126.7 against 125.8 six months ago.

The D-Mark was firm at the Frankfurt fixing. The dollar fell to DM 2.6435 from DM 2.6568 without any intervention by the Bundesbank, after the authorities had sold $30.15m at the Wednesday fixing; $21.8m on Tuesday; and $19.4m on Monday. Although the U.S. currency was weaker on the day it was above Wednesday's closing level in New York on speculation about higher U.S. interest rates and anticipation of a sharp rise in U.S. M1 money supply. Sterling fell to DM 3.7790 from DM 3.7970, and the Swiss franc to DM 1.215 from DM 1.2203. The D-mark was also firm within the EMS on suggestions of a possible realignment of the system. The French franc fell to DM 32.465 per 100 francs from DM 32.48, and the Dutch guilder to DM 88.62 per 100 guilders from DM 88.67.

FRENCH FRANC — Trading range against the dollar in 1983-84 is 8.6850 to 6.6060. February average 8.3089. Trade-weighted index 66.8 against 67.6 six months ago.

The French franc weakened against most of its EMS partners at the Paris fixing, but improved against the dollar, sterling and the Swiss franc. The D-mark rose to FFr 3.0803 from FFr 3.0792; the Dutch guilder to FFr 2.7305 from FFr 2.7340; the Belgian franc to FFr 15.0590 per 100 Belgian francs from FFr 15.0555; the Italian lira to FFr 4.9860 per 100 lira from FFr 4.9715; and the Irish punt to FFr 9.4250 from FFr 9.42. On the other hand the dollar fell to FFr 8.1455 from FFr 8.1805; sterling to FFr 11.6350 from FFr 11.6730; and the Swiss franc to FFr 3.7452 from FFr 3.7562.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU March 22	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	44.9008	45.6950	+1.77	+1.88	±1.5447
Danish Krone	8.14104	8.17966	+0.47	+0.38	±1.6425
German D-Mark	2.24184	2.23393	−0.35	−0.44	±1.0842
French Franc	6.87456	6.88013	+0.08	−0.01	±1.4052
Dutch Guilder	2.52595	2.52046	−0.22	−0.31	±1.4964
Irish Punt	0.72569	0.729900	+0.58	+0.49	±1.6699
Italian Lira	1403.49	1380.67	−1.63	−1.63	±4.1505

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

£ in New York (latest)

	March 22	Prev. close
Spot	$1.4300-4310	$1.4320-4330
1 month	0.21-0.24 dis	0.21-0.23 dis
3 months	0.68-0.72 dis	0.67-0.70 dis
12 months	3.20-3.30 dis	3.16-3.19 dis

£ forward rates are quoted in U.S. cents discount.

THE POUND SPOT AND FORWARD

March 22	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.4260-1.4335	1.4305-1.4315	0.20-0.25c dis	−1.87	0.67-0.72dis	−1.94
Canada	1.8190-1.8250	1.8220-1.8230	0.15-0.25c dis	−1.32	0.73-0.83dis	−1.71
Nethlnd.	4.25-4.27½	4.25-4.26	1⅛-⅞c pm	2.47	2⅞-2⅝ pm	2.47
Belgium	77.15-77.50	77.30-77.40	20-30c dis	−3.88	70-80 dis	−3.88
Denmark	13.80-13.86	13.81½-13.82½	1½-2⅛ore dis	−1.90	5½-6 dis	−1.61
Ireland	1.2320-1.2380	1.2330-1.2340	0.38-0.47p dis	−4.13	1.27-1.41dis	−4.34
W. Ger.	3.76½-3.79	3.76¾-3.77¾	1⅛-⅞pf pm	3.18	3⅛-2⅞ pm	3.05
Portugal	190.50-192.50	191.00-191.50	170-390c dis	−17.57	515-1170dis	−17.62
Spain	217.00-218.00	217.50-217.70	135-165c dis	−8.30	435-490 dis	−8.41
Italy	2,330-2,339	2,332-2,334	14½-16½ lire dis	−8.20	46-48 dis	−8.06
Norway	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
France	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Sweden	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Japan	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Austria	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Switz.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Belgian rate is for convertible francs. Financial franc 80.25-80.35. Six-month forward dollar 1.30-1.35c dis, 12-month 3.25-3.35c dis.

THE DOLLAR SPOT AND FORWARD

March 22	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.4260-1.4335	1.4305-1.4315	0.20-0.25c dis	−1.87	0.67-0.72d's	−1.94
Ireland†	1.1564-1.1615	1.1605-1.1615	0.24-0.19c pm	2.23	0.72-0.64 pm	2.35
Canada	1.2737-1.2753	1.2737-1.2742	0.07-0.03c pm	0.47	0.12-0.07 pm	0.29
Nethlnd.	2.9700-2.9835	2.9700-2.9720	1.14-1.04c pm	4.39	3.40-3.30 pm	4.49
Belgium	54.00-54.12	54.05-54.07	10-12c dis	−2.44	25-30 dis	−2.03
Denmark	9.6575-9.6950	9.6575-9.6625	1.25-0.75ore pm	1.24	2.50-2.00 pm	0.93
W. Ger.	2.6320-2.6475	2.6340-2.6350	1.12-1.07pf pm	4.97	3.31-3.26 pm	4.97
Portugal	133.50-134.30	133.65-134.15	100-250c dis	−15.88	300-750dis	−15.88
Spain	151.70-152.40	151.70-151.90	75-80c dis	−6.51	235-275 dis	−6.70
Italy	1,630-1,637	1,630-1,631	9-9½ lire dis	−6.79	26-27 dis	−6.49
Norway	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
France	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Sweden	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Japan	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Austria	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Switz.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency. Belgian rate is for convertible francs. Financial franc 56.10-56.15.

OTHER CURRENCIES

Mar. 22	£	$		£ Note Rates
Argentina Peso	[illegible]	[illegible]	Austria	[illegible]
Australia Dollar	[illegible]	[illegible]	Belgium	[illegible]
Brazil Cruzeiro	[illegible]	[illegible]	Denmark	[illegible]
Finland Markka	[illegible]	[illegible]	France	[illegible]
Greek Drachma	[illegible]	[illegible]	Germany	[illegible]
Hong Kong Dollar	[illegible]	[illegible]	Italy	[illegible]
Iran Rial	[illegible]	[illegible]	Japan	[illegible]
Kuwait Dinar (KD)	[illegible]	[illegible]	Netherlands	[illegible]
Luxembourg Fr.	[illegible]	[illegible]	Norway	[illegible]
Malaysia Dollar	[illegible]	[illegible]	Portugal	[illegible]
New Zealand Dlr.	[illegible]	[illegible]	Spain	[illegible]
Saudi Arab. Riyal	[illegible]	[illegible]	Sweden	[illegible]
Singapore Dollar	[illegible]	[illegible]	Switzerland	[illegible]
Sth African Rand	[illegible]	[illegible]	United States	[illegible]
U.A.E. Dirham	[illegible]	[illegible]	Yugoslavia	[illegible]

*Selling rate.

CURRENCY MOVEMENTS

Mar. 22	Bank of England Index	Morgan Guaranty Changes %
Sterling	[illegible]	[illegible]
U.S. dollar	[illegible]	[illegible]
Canadian dollar	[illegible]	[illegible]
Austrian schilling	[illegible]	[illegible]
Belgian franc	[illegible]	[illegible]
Danish kroner	[illegible]	[illegible]
Deutsche mark	[illegible]	[illegible]
Swiss franc	[illegible]	[illegible]
Guilder	[illegible]	[illegible]
French franc	[illegible]	[illegible]
Lira	[illegible]	[illegible]
Yen	[illegible]	[illegible]

Morgan Guaranty changes: average 1980-1982=100. Bank of England Index (base average 1975=100).

CURRENCY RATES

March 22	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	[illegible]	[illegible]	[illegible]
U.S. $	[illegible]	[illegible]	[illegible]
Canadian $	[illegible]	[illegible]	[illegible]
Austria Sch	[illegible]	[illegible]	[illegible]
Belgian F	[illegible]	[illegible]	[illegible]
Danish Kr	[illegible]	[illegible]	[illegible]
D'mark	[illegible]	[illegible]	[illegible]
Guilder	[illegible]	[illegible]	[illegible]
French Fr.	[illegible]	[illegible]	[illegible]
Lira	[illegible]	[illegible]	[illegible]
Yen	[illegible]	[illegible]	[illegible]
Norwgn Kr.	[illegible]	[illegible]	[illegible]
Spanish Pta.	[illegible]	[illegible]	[illegible]
Swedish Kr.	[illegible]	[illegible]	[illegible]
Swiss Fr.	[illegible]	[illegible]	[illegible]
Greek Dr'ch	[illegible]	[illegible]	[illegible]

* CS/SDR rate for Mar 21: 1.34727

EXCHANGE CROSS RATES

Mar. 22	Pound St'rling	U.S. Dollar	Deutsche m'k	Japanese Yen	French Franc	Swiss Franc	Dutch Guild	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	1.431	3.773	324.0	11.605	4.113	4.255	2333.	1.823	77.35
U.S. Dollar	0.699	1.	2.635	226.3	8.110	2.175	2.978	1631.	1.274	54.06
Deutschemark	0.265	0.379	1.	85.88	3.076	0.825	1.128	618.4	0.483	20.50
Japanese Yen 1,000	3.086	4.417	11.64	1000.	35.82	9.606	13.13	7201.	5.625	238.7
French Franc 10	0.862	1.233	3.251	279.2	10.	2.682	3.667	2010.	1.570	66.65
Swiss Franc	0.321	0.460	1.212	104.1	3.729	1.	1.367	749.6	0.586	24.86
Dutch Guilder	0.235	0.336	0.887	76.15	2.727	0.731	1.	548.3	0.428	18.18
Italian Lira 1,000	0.429	0.613	1.617	138.9	4.974	1.334	1.824	1000.	0.781	33.15
Canadian Dollar	0.549	0.785	2.070	177.8	6.368	1.708	2.335	1280.	1.	42.44
Belgian Franc 100	1.293	1.850	4.877	418.9	15.00	4.024	5.501	3016.	2.356	100.

EURO-CURRENCY INTEREST RATES (Market closing rates)

Mar. 22	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	D-mark	French Franc	Italian Lira	Belgian Franc Conv.	Belgian Franc Fin.	Yen	Danish Kroner
Short term	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
7 days' notice	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Month	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Three months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Six months	9-9⅛	10⅛-11⅛	10¾-11	6¼-6⅜	3⅞-4⅛	5⅞-6	14⅞-15⅛	17⅛-17⅜	12½-13	12-12¼	6¼-6⅜	10⅞-11⅛
One year	9¼-9⅜	11⅛-11¼	11⅛-11⅜	6⅛-6¼	4⅛-4¼	6¼-6⅜	15⅜-15⅞	17⅝-18⅛	12½-13	12-12¼	6⅛-6¼	11¼-11¾

Asian $ (closing rates in Singapore): Short-term 10⅛-10¼ per cent; seven days 10⅞-11 per cent; one month 10⅞-10¾ per cent; three months 10⅝-10¾ per cent; six months 10⅞-11⅛ per cent; one year 11⅞-11⅜ per cent. Long-term Eurodollars two years 12-12⅛ per cent; three years 12⅛-12⅝ per cent; four years 12½-12⅝ per cent; five years 12⅝-13 per cent nominal closing rates. Short-term rates are call for U.S. dollars and Japanese yen: two days notice.

MONEY MARKETS

UK rates little changed

Interest rates were hardly changed in London yesterday despite a further rise in U.S. interest rates and sterling's weaker trend. Three-month *eligible bank bills were bid at* 8¾ per cent, unchanged from Wednesday as was the three-month interbank rate at 8¾ per cent. Overnight interbank money opened at 8¾-8⅞ per cent and eased to 8¾ per cent before rising to 10 per cent later in the day.

The Bank of England forecast a shortage of around £300m with factors affecting the market including maturing assistance and a take up of Treasury bills, together draining £168m. There was also the unwinding of previous sale and repurchase agreements which accounted for another £139m while Exchequer transactions drained £45m. In addition there was a rise in the note circulation of £25m. These were partly offset by banks' balances being brought forward £55m above target.

The forecast was revised to a shortage of around £350m before the Bank gave assistance in the morning of £250m. This comprised purchases of £1m of eligible bank bills in band 1 (up to 14 days) at 8⅞ per cent and £74m in band 2 (15-33 days) at 8¾ per cent. In band 3 (34-63 days) it bought £24m of eligible bank bills at 8⅞ per cent and in band 4 (64-91 days) £6m of local authority bills and £53m of eligible bank bills all at 8¾ per cent. It also arranged sale and repurchase agreements on £92m of bills at 8⅞-8⅞ per cent, unwinding on April 4.

The shortage was further revised to £400m before taking into account the morning's operations and the Bank gave additional help in the afternoon of £77m, making a grand total of £327m. The afternoon assistance comprised purchases of £30m of eligible bank bills in band 1 at 8⅞ per cent and £27m in band 2 at 8¾ per cent. In band 3 it bought £10m of eligible bank bills at 8⅞ per cent and in band 4 £10m at 8¾ per cent.

UK clearing banks' base lending rate 8½-8¾ per cent (since March 15 and 16)

MONEY RATES

Mar. 22	Frankfurt	Paris	Zurich	Amst'dam	Tokyo	Milan	Brussels	Dublin
Overnight	5.50-5.55	11½	2-3	5-6⅛	6.40625	16⅞-17⅛	12.0	—
One month	5.75-5.85	12⅛-12⅜	3⅞-4	6⅛-6¼	6.40625	17-17⅜	12¼	12¼-12⅜
Two months	5.75-5.85	12⅛-12⅜	—	—	—	—	—	12⅝-12⅞
Three months	5.80-5.90	12⅛-12⅜	3⅞-4	6⅛-6⅜	6.28125	17¼-17⅝	12¼	12⅞-13⅛
Six months	5.85-6.00	12⅛-12⅜	—	6¼-6⅜	—	—	11⅞-12⅛	12¾-13¼
Lombard	6.5	—	—	—	—	—	—	—
Intervention	—	12	—	5⅞	—	—	—	—

LONDON MONEY RATES — Discount Houses Deposit and Bill Rates

Mar. 22 1984	Sterling Certificate of deposit	Interbank	Local Authority deposits	Company Deposits	Market Deposits	Treasury (Buy)	Treasury (Sell)	Eligible Bank (Buy)	Eligible Bank (Sell)	Fine Trade (Buy)
Overnight	—	8⅛-10	8⅝	8⅞	8⅜-9	—	—	—	—	—
2 days notice	—	—	8¾	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	—	—	—	—	—
7 day notice	—	8⅝-8¾	8¾	8¾	8⅝	—	—	—	—	—
One month	8¾-8⅝	8¾-8⅞	8¾	—	8⅝	8¾	8⅜	8¾	8½	9⅛
Two months	8¾-8⅝	8¾-8⅞	8⅞	—	8⅞-8⅝	8⅞	8⅞	8¾	8⅞	9⅛
Three months	8¾-8⅝	8¾-8⅞	8⅞-8⅞	—	8⅞-8⅝	8⅝	8¾	8¾	8⅝	9⅛
Six months	8⅞-8⅞	9-9⅛	8⅞-9	—	—	—	—	8⅞	8⅝-8¾	9⅛
Nine months	9⅛-9	9⅛-9¼	9⅛	—	—	—	—	—	—	—
One year	9⅛-9⅛	9⅛-9⅜	9⅛-9⅛	—	—	—	—	—	—	—

	Local Auth. negotiable bonds	Local Authority Deposits	Finance House Deposits	$ Cert of Deposits	SDR Linked Deposits	ECU Linked Deposits
One month	9¼-9	—	8⅞	10.4-10.5	9⅛-9⅞	9⅛-9⅛
Two months	9¼-9	—	8⅞	10.5-10.6	9⅛-9⅞	9⅛-9⅛
Three months	9¼-9	—	8⅞	10.6-10.7	9¼-9⅛	9⅝-9⅛
Six months	9⅛-8⅞	—	9⅛	10.9-11.0	9⅛-9⅞	9⅛-9⅞
Nine months	9⅛-9⅛	—	9⅛	11.35-11.15	—	—
One year	9⅛-9⅛	—	9⅛	11.55-11.45	9⅞-10⅛	10⅛-10⅛
Two years	—	9⅞	—	—	—	—
Three years	—	10	—	—	—	—
Four years	—	10¼	—	—	—	—
Five years	—	10⅝	—	—	—	—

ECGD Fixed Rate Export Finance Scheme IV Average Rate for interest period February 8 to March 6 1984 (inclusive): 9.373 per cent. Local authorities and finance houses seven days' notice, others seven days' fixed. Finance Houses Base Rates (published by the Finance Houses Association): 9½ per cent from March 1 1984. London and Scottish Clearing Bank Rates for lending 8½-8¾ per cent. London Deposit Rate for sums at seven days' notice 5¾-5½ per cent. Treasury Bills: Average tender rates of discount 8.3498 per cent. Certificates of Tax Deposit (Series 6). Deposits of £100,000 and over held under one month 9 per cent; one-three months 9 per cent; three-six months 9¼ per cent; six-nine months 9¼ per cent; nine-12 months 9½ per cent. Under £100,000 8¾ per cent from March 22. Deposits held under Series 4-5 8¾ per cent. The rate for all deposits withdrawn for cash 7 per cent.

MONEY RATES

NEW YORK (Lunchtime)

Prime rate	11½
Broker loan rate	11
Fed funds	10⅞
Fed funds at intervention	10⅞

Treasury Bills

One month	9.50
Two month	9.70
Three month	9.82
Six month	9.95
One year	9.95

Treasury Bonds

Two year	[illegible]
Three year	97¾
Four year	97¾
Five year	[illegible]
Seven year	[illegible]
10 year	[illegible]
30 year	[illegible]

FT LONDON INTERBANK FIXING

LONDON INTERBANK FIXING (11.00 a.m. March 22)

3 months U.S. dollars	
bid 10 11/16	offer 10 15/16

6 months U.S. dollars	
bid 11	offer 11 1/8

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 a.m. each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

FINANCIAL FUTURES

Eurodollars active

Eurodollar trading was active on the London International Financial Futures Exchange yesterday. The June contract opened weaker at 88.94, but this was only slightly below the day's high of 88.96. It was sold off in response to firm Eurodollar interest rates, but gained some support following news of an unexpected fall of 1.2 per cent in U.S. February durable goods orders. This contrasted with expectation of a rise in the region of 1 per cent, and was also set against the January increase of 2.7 per cent, sending further confusing signals to the market about the pace of U.S. economic growth. June Eurodollars touched a low of 88.87, before closing at 88.89, compared with 89.02 on Wednesday. The weaker trend towards the London close also followed a fall in the equivalent contract in Chicago on expectations of a large rise in M1 money supply growth in the region of $3bn.

Sentiment was also depressed by the firmness of the Federal funds overnight rates in New York at 10⅛ per cent despite action by the Federal Reserve to add money market reserves through four-day repurchase agreements, while trading remains nervous ahead of next week's Federal Open Market Committee meeting and the possibility of tighter monetary policy.

Gilts opened weaker at 108-20 for June delivery, and fell to a low of 108-14 on the disappointing performance of the U.S. bond market. Gilt cash values were also lower, but futures found some support at the lower levels, and the June contract closed only slightly below the day's high of 108-25, at 108-24, compared with 108-28 on Wednesday.

Three-month sterling deposits were quiet. The June contract opened and closed at 91.11, against the previous settlement of 91.14.

LONDON

THREE-MONTH EURODOLLAR $1m points of 100%

	Close	High	Low	Prev
June	88.89	88.96	88.87	89.02
Sept	88.50	88.55	88.47	88.63
Dec	88.18	88.24	88.17	88.31
March	87.93	87.93	87.93	88.04
June	87.65	—	—	87.77

Volume 5,507 (4,071)
Previous day's open int 13,723 (13,341)

THREE-MONTH STERLING DEPOSIT £250,000 points of 100%

	Close	High	Low	Prev
June	91.11	91.13	91.09	91.14
Sept	90.88	90.89	90.87	90.90
Dec	90.67	90.67	90.66	90.69
March	90.46	—	—	90.48
June	90.30	—	—	90.32

Volume 683 (1,101)
Previous day's open int 7,392 (7,168)

20-YEAR 12% NOTIONAL GILT £50,000 32nds of 100%

	Close	High	Low	Prev
March	109-13	109-13	109-10	109-25
June	108-24	108-25	108-14	108-28
Sept	108-05	—	—	108-09
Dec	107-19	—	—	107-24
March	107-02	—	—	107-07

Volume 3,298 (1,659)
Previous day's open int 4,698 (4,946)
Basis quote (clean cash price of 13¼% Treasury 2003 less equivalent price of June futures contract) 34 to 44 (32nds)

STERLING £25,000 $ per £

	Close	High	Low	Prev
June	1.4365	1.4370	1.4335	1.4392
Sept	1.4435	1.4435	1.4428	1.4469

Volume 392 (192)
Previous day's open int 1,955 (1,979)

DEUTSCHE MARKS DM 125,000 $ per DM

	Close	High	Low	Prev
June	0.3824	0.3830	0.3818	0.3823
Sept	0.3872	—	—	0.3870

Volume 78 (173)
Previous day's open int 521 (526)

SWISS FRANCS SwFr 125,000 $ per SwFr

	Close	High	Low	Prev
June	0.4658	0.4675	0.4657	0.4675
Sept	0.4735	—	—	0.4755

Volume 7 (15)
Previous day's open int 127 (124)

JAPANESE YEN Y12.5m $ per Y100

	Close	High	Low	Prev
June	0.4457	0.4458	0.4453	0.4459
Sept	0.4510	—	—	0.4512

Volume 7 (2)
Previous day's open int 190 (190)

CHICAGO

U.S. TREASURY BONDS (CBT) 8% $100,000 32nds of 100%

	Latest	High	Low	Prev
March	64-14	64-18	64-14	66-31
June	65-27	66-02	65-25	66-08
Sept	65-10	65-17	65-09	65-22
Dec	64-27	65-01	64-27	65-07
March	—	—	—	64-25
June	64-02	64-06	64-02	64-13
Sept	—	—	—	64-02
Dec	63-15	63-20	63-15	63-25

U.S. TREASURY BILLS (IMM) $1m points of 100%

	Latest	High	Low	Prev
March	89.04	89.04	89.02	89.07
June	89.80	89.86	89.79	89.89
Sept	89.52	89.56	89.51	89.59
Dec	89.24	89.28	89.24	89.31
March	—	—	—	—
June	88.86	88.86	88.83	88.87
Sept	88.69	88.69	88.65	88.70
Dec	88.52	88.52	88.49	88.53

CERT. DEPOSIT (IMM) $1m points of 100%

	Latest	High	Low	Prev
March	89.51	89.54	89.51	89.62
June	89.00	89.09	88.98	89.11
Sept	88.60	88.65	88.60	88.70

THREE-MONTH EURODOLLAR (IMM) $1m points of 100%

	Latest	High	Low	Prev
March	87.57	87.61	87.57	87.67
June	88.58	88.68	88.57	88.68
Sept	88.17	88.25	88.17	88.27
Dec	87.85	88.31	87.85	87.95
March	—	—	—	—
June	87.32	87.36	87.32	87.41

STERLING (IMM) $s per £

	Latest	High	Low	Prev
March	1.4600	1.4600	1.4550	1.4615
June	1.4355	1.4370	1.4335	1.4370
Sept	1.4445	1.4445	1.4405	1.4450
Dec	1.4500	1.4500	1.4460	1.4525
March	—	—	—	1.4700

GNMA (CBT) 8% $100,000 32nds of 100%

	Latest	High	Low	Prev
March	66-00	—	—	66-14
June	66-06	66-13	66-04	66-16
Sept	67-10	67-16	67-10	67-20
Dec	66-19	66-23	66-19	66-28
March	—	—	—	—
June	—	—	—	65-23
Sept	—	—	—	65-08
Dec	64-21	64-21	64-20	64-27

WORLD VALUE OF THE DOLLAR

Bank of America NT & SA, Economics Department, London

The Table below gives the rates of exchange for the U.S. dollar against various currencies as of Wednesday March 21 1984. The Exchange rates listed are middle rates between buying and selling rates as quoted between banks, unless otherwise indicated. All currencies are quoted in foreign currency units per one U.S. dollar except in certain specified areas. All rates quoted are indicative. They are not based on, and are not intended to be used as a basis for, particular transactions.

Bank of America NT & SA does not undertake to trade in all listed foreign currencies, and neither Bank of America NT & SA nor the Financial Times assume responsibility for errors.

Bank of America, Economics Dept., E.M.E.A. London
Eurodollar Libor as of March 21 at 11.00 am
3 months: 10⅝. 6 months: 11⅛

COUNTRY	CURRENCY	VALUE OF DOLLAR
Afghanistan	Afghani (O)	50.60
Albania	Lek	7.0679
Algeria	Dinar	4.836
Andorra	Fr. Franc	8.178
	Sp. Peseta	152.68
Angola	Kwanza	30.214
Antigua	E. Caribbean $	2.70
Argentina	New Peso (f)	31.209
Australia	Dollar	1.0519
Austria	Schilling	18.705
Azores	Port. Escudo	134.05
Bahamas	Dollar	1.00
Bahrain	Dinar	0.3769
Balearic Is	Sp. Peseta	152.68
Bangladesh	Taka	23.75
Barbados	Dollar	2.0115
[illegible]	[illegible]	[illegible]
Grenada	E. Caribbean $	[illegible]
Guadaloupe	Franc	[illegible]
Guam	U.S. $	[illegible]
Guatemala	Quetzal	[illegible]
Guinea Bissau	Peso (2)	[illegible]
Guinea Rep.	Syli	[illegible]
Guyana	Dollar (5)	[illegible]
Haiti	Gourde	[illegible]
Honduras Rep.	Lempira	[illegible]
Hong Kong	Dollar	[illegible]
Hungary	Forint (4)	[illegible]
Iceland	Krona	[illegible]
India	Rupee (5)	[illegible]
Indonesia	Rupiah	[illegible]
Iran	Rial (O)	[illegible]
[illegible]	[illegible]	[illegible]

n.a. Not available. (m) Market rate. * U.S. dollar per National Currency unit. [illegible]

INTERNATIONAL CAPITAL MARKETS

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. The following are closing prices for March 22.

U.S. DOLLAR STRAIGHTS

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
[illegible]						

DEUTSCHE MARK STRAIGHTS

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
[illegible]						

Av. price changes... on day 0, on week −⅛

SWISS FRANC STRAIGHTS

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
[illegible]						

YEN STRAIGHTS

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
[illegible]						

OTHER STRAIGHTS

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
[illegible]						

FLOATING RATE NOTES

FLOATING RATE NOTES	Spread	Bid	Offer	C.date	C.cpn	C.yld
[illegible]						
EAB Fin 5 93 $	8¼	99½	99¾	28/8	10.88	10.73
E.D.F. 5¼ 99	0⅛	98¼	98½	23/8	10.56	10.74

CONVERTIBLE BONDS

CONVERTIBLE BONDS	Cnv. date	Cnv. price	Bid	Offer	Chg. day	Prem
[illegible]						

* No information available—previous day's price.
† Only one market maker supplied a price.

Straight Bonds: The yield is the redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week=Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C.date=Date next coupon becomes effective. Spread=Margin above six-month offered rate (‡ three-month; § above mean rate) for U.S. dollars. C.cpn=The current coupon. C.yld=The current yield.

Convertible Bonds: Denominated in dollars unless otherwise indicated. Chg. day=Change on day. Cnv. date=First date for conversion into shares. Cnv. price=Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem=Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

Eurodollar bond prices slide over U.S. interest rate fears

BY MARY ANN SIEGHART IN LONDON

PRICES of seasoned Eurodollar bonds slid again yesterday amid nervousness about U.S. interest rates. Some prices fell as much as ¾ point, though the average was closer to ⅜ point.

As a result, new issue activity was low, with only two small dollar bonds being launched for Japanese borrowers.

BHF Bank bond average		
March 22		Previous
99.542		99.624
High	1983-84	Low
102.017		97.699

Omron Tateisi Electronics, the Japanese high-technology firm, is raising $30m through a five-year bond with an indicated 6⅞ per cent coupon. Nomura International and Nikko Securities are leading the deal which has the standard warrant structure. Unlike most recent Japanese warrant packages, which have traded at heavy discounts, this one stood at a slight premium to its par price yesterday, perhaps because of the attractiveness of the company. Final terms will be fixed on March 30.

Sumitomo Forestry launched a $20m, 15-year convertible bond with an indicated 3⅞ per cent coupon. Daiwa Europe is lead manager with Kleinwort Benson and Sumitomo Finance. The deal will be priced on Monday.

In Germany, Credit Foncier is raising DM 200m through an eight-year bond paying 7⅞ per cent at par. Deutsche Bank is leading the deal, which traded around its selling concession at a discount of 1⅞ per cent.

Showa Musen Kogyo, the Japanese company which makes parts for electronic appliances, is raising SwFr 60m through a five-year convertible private placement with an indicated 2 per cent yield. Lead managers UBS expects the repayment to be about 105 per cent.

Prices in both Switzerland and Germany closed unchanged in very quiet trading.

WEEKLY U.S. BOND YIELDS (%)

	March 21	March 14	1984 High	1984 Low
Composite Corp. AA	13.13	[illegible]	[illegible]	[illegible]
Government:				
Long-term	12.37	[illegible]	[illegible]	[illegible]
Intermediate	12.19	[illegible]	[illegible]	[illegible]
Short-term	11.48	[illegible]	[illegible]	[illegible]
Municipal	n.a.	[illegible]	[illegible]	[illegible]
Industrials AAA	12.74	[illegible]	[illegible]	[illegible]
Industrials AA	13.01	[illegible]	[illegible]	[illegible]
Utilities AA	13.25	[illegible]	[illegible]	[illegible]
Preferred Stocks	11.40	[illegible]	[illegible]	[illegible]

Source: Standard & Poor's

Naples bank seeks £50m

By Peter Montagnon in London

BANCO di Napoli is raising £50m through an eight-year credit in the domestic sterling market led by Chase Manhattan and Dai-Ichi Kangyo Bank.

The credit bears an interest margin of ⅜ per cent for the first two years rising to ½ per cent thereafter. Repayments begin after a grace period of four years and the funds will be used by the bank's division for financing public works and utilities.

OVER-THE-COUNTER

Nasdaq National Market closing prices

Continued from Page 30

Stock	Sales (Hnds)	High	Low	Last	Chng
[illegible]					